

5 SEM TDC ECO M 2

2015

(November)

ECONOMICS

(Major)

Course : 502

(Public Economics : Policy Issues)

Full Marks : 80

Pass Marks : 32

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*

1. Choose the most appropriate answer of the following : 1×8=8

(a) As per the Budget 2015-16, by 2019,
corporate tax rate will be reduced to

(i) 40%

(ii) 30%

(iii) 25%

(iv) 20%

- (b) The share of concessional debt in the total external debt of India over the years has
- (i) increased
 - (ii) decreased
 - (iii) remain unchanged
 - (iv) None of the above
- (c) In the Union Budget 2015-16, which of the following deficits has been estimated above 4% of the GDP?
- (i) Fiscal deficit
 - (ii) Primary deficit
 - (iii) Revenue deficit
 - (iv) None of the above
- (d) To restore fiscal discipline, which of the following Acts was passed in 2003?
- (i) DTC
 - (ii) MODVAT
 - (iii) FRBM
 - (iv) MRTP

- (e) As per the 14th Finance Commission recommendation, States' share in the centre's divisible pool will be
- (i) 30.5%
 - (ii) 32%
 - (iii) 37.5%
 - (iv) 42%
- (f) In which budget revenue always equals expenditure?
- (i) Annual budget
 - (ii) Long-term budget
 - (iii) Balanced budget
 - (iv) Government budget
- (g) Which of the following is not a part of fiscal policy?
- (i) Subsidy under public distribution system
 - (ii) Regulation of financial institutions
 - (iii) Imposition of taxation
 - (iv) Issue of bonds by the Government

(h) The Chairperson of the 14th Finance Commission of India was

(i) V. Kelkar

(ii) Y. V. Reddy

(iii) M. S. Ahluwalia

(iv) A. Panagariya

2. Write short notes on any four of the following **(within 150 words each)** : $4 \times 4 = 16$

(a) Tax system and market economy

(b) Impact of public debt on Indian economy

(c) Fiscal deficit

(d) Limitations of fiscal policy

(e) Criteria for resource devolution in the 14th Finance Commission Report

Answer the following questions **(within 500 words each)** :

3. (a) Discuss the structure and pattern of taxation in developing countries.

Or

(b) Write a critical note on the Indian tax system.

4. (a) Write a brief note on the trend and pattern of public expenditure in India. Also assess the public expenditure management system in India. $7+5=12$

Or

(b) Analyze the nature and magnitude of public debt in India. Also discuss how the growing size of public debt is adversely affecting Indian economy. $6+6=12$

5. (a) What are the core objecties of the Union Budget 1015-16? State the major features of the Budget 2015-16. $4+7=11$

Or

(b) State the meaning of revenue deficit and primary deficit. Discuss the main features of programme and zero-based budgeting. $4+7=11$

6. (a) Examine the suitability of fiscal policy for developing countries like India. 11

Or

(b) Critically examine the fiscal reform measures undertaken by the Government of India since 1991. 11

7. (a) Discuss the principles followed in India for resource devolution. Also comment on the statement that "Union financial devolution has led to vertical and horizontal fiscal imbalances in India".

6+5=11

Or

- (b) Discuss the major recommendations of the 14th Finance Commission. Do you think that the recommendation of the Commission will benefit Assam?

7+4=11

★ ★ ★