

5 SEM TDC ECO M 2**2016****(November)****ECONOMICS****(Major)****Course : 502****(Public Economics : Policy Issues)****Full Marks : 80****Pass Marks : 32 (Backlog) / 24 (2014 onwards)****Time : 3 hours**

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

1. Answer/Choose the correct answer/Fill in the blanks of the following : 1×8=8

(a) Write a major item which is kept outside the proposed Goods and Services Tax (GST).

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- 1. Answer/Choose the correct answer/Fill in
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**(a) Write a major item which is kept outside
the proposed Goods and Services Tax
(GST).**

- (b) India is considered as a
- (i) highly indebted country with a high risk of falling in debt trap
 - (ii) highly indebted country with a low risk of falling in debt trap
 - (iii) moderately indebted country with zero risk of falling in debt trap
 - (iv) All of the above
- (c) Zero-based budgeting implies
- (i) plan and programme budgeting in an old fashion
 - (ii) zero-tax budget
 - (iii) no appraisal of old and new programmes
 - (iv) None of the above
- (d) Fiscal deficit is defined as
- (i) total expenditures less total receipts excluding borrowings
 - (ii) primary deficit plus interest payment
 - (iii) Both (i) and (ii)
 - (iv) Neither (i) nor (ii)

- (e) As per 2016-17 Budget, the income tax rate of 20% will be applicable for women tax payers in the income range
- (i) ₹ 2 lakh—₹ 5 lakh
 - (ii) ₹ 5 lakh—₹ 8 lakh
 - (iii) ₹ 5 lakh—₹ 10 lakh
 - (iv) None of the above
- (f) Write the full form of FRBM (or FRBMA).
- (g) As per the 13th and 14th Finance Commission Reports, States' share in central taxes were ____% and ____% respectively.
- (h) Which of the following is not an objective of fiscal policy?
- (i) Economic growth with stability
 - (ii) Regulating financial institutions to control trade cycle
 - (iii) Maximization of employment level
 - (iv) None of the above

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

- (a) Structure of taxation in developing economies
- (b) Impact of public expenditure on Indian economy
- (c) Meaning and importance of the concepts of revenue deficit and primary deficit
- (d) Importance of fiscal policy in developed economies
- (e) Fiscal federalism

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

3. (a) What are the main features of Indian tax system? Explain how introduction of Goods and Services Tax (GST) can help the Indian tax system. $6+6=12$
Or
- (b) Explain the meaning of rationalization of tax system. Discuss the role of tax system in market economy. $6+6=12$

4. (a) Critically examine the trend and pattern of public expenditure in India. $7+4=11$

Or

- (b) Explain the nature and volume of external and internal public debt in India. Discuss how the government borrowing is helping Indian economy. $7+4=11$

5. (a) What are the main features of the Union Budget, 2016-17? Explain the measures incorporated in the budget for tax reforms. $6+5=11$

Or

- (b) Write the meaning of budget. Mention three important limitations of the Union Budget, 2016-17. Write a critical note on 'budget as an instrument of economic policy'. $1+3+7=11$

6. (a) Critically discuss the objectives of fiscal policy in developing economies. 11

Or

- (b) Explain the fiscal reform measures taken in India in the context of new economic policy. Do you think these measures are adequate? Give justifications. $7+4=11$

7. (a) What are the functions of Finance Commission in India? Discuss the issues related to the financial adjustment in a federal system. 3+8=11

Or

- (b) Explain the major differences between 13th and 14th Finance Commissions' recommendations.

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