

UG 5th Semester Examination 2021

ECONOMICS (Honours)

Paper Code : DC-12

Public Economics

[CBCS]

Full Marks: 32

Time: Two Hours

The figures in the margin indicate full marks.

Group A

Answer any *four* questions:

$2 \times 4 = 8$

1. Define debt trap.
2. Mention the characteristics of a public good.
3. Define negative externality with an example.
4. What do you mean by incidence of tax?
5. Define merit good with an example.
6. Define horizontal equity of taxation.

Group B

Answer any *four* questions:

$4 \times 4 = 16$

7. Explain the characteristics of a Good Tax system.
8. Describe the merits and demerits of Indirect Tax system.
9. Describe the Benefit Principle to taxation.
10. Discuss the effects of taxation on work effort.
11. Briefly discuss the effects of Public Debt.
12. Briefly describe the causes of market failure in the context of public goods.
13. Prove that the Balanced Budget Multiplier is equal to unity.
14. Distinguish between internal and external borrowing.

Group C

Answer any one question:

8 × 1= 8

15. Discuss the impacts of government expenditure in an economy like India.
16. What are the assumptions behind the Coase theorem? How can it correct an externality problem? What are its limitations? 2+3+3