

PARUL UNIVERSITY
FACULTY OF ARTS
B.A Winter 2018 – 19 Examination

Semester: 5
Subject Code: 15101301
Subject Name: Public Economics

Date: 26/11/2018
Time: 10:30 am to 1:00 pm
Total Marks: 60

Instructions:

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.
4. Start new question on new page.

Q1A. Choose the appropriate answer from the following. (08)

1. Which of the institution collects the taxes from the citizens of the country?
A) Banks
B) Insurance Agencies
C) Government
D) Private Institute
2. The policy that deals with the collection of the taxes is called as the _____.
A) Monetary Policy
B) Fiscal Policy
C) Foreign trade policy
D) Industrial Policy
3. The private goods are owned by a _____.
A) Government
B) Non Government Organization
C) Group of individual
D) Joint ventures
4. Public finance includes _____.
A) Public revenue
B) Public expenditure
C) Public Debt
D) All of the above
5. Effects of Public Expenditure are on _____.
A) Consumption
B) Allocation of Resources
C) Production
D) All of the above
6. The full form of GST tax is _____.
A) Gross Value
B) Goods and Services Tax
C) Gross Domestic Product
D) Gross Income
7. Which of the following is not a direct tax?
A) Sales Tax
B) Excise Duty
C) Wealth Tax
D) Both A and B
8. An excise duty is a tax on the basis of _____.
A) The value added
B) The unit of the commodity
C) the price of the commodity
D) the advertisement expenditure
9. The public debt refers to the _____.
A) Revenue received
B) Loan taken by public
C) Expenditure done
D) Income earned
10. The term used for the income received from sources other than tax is called as _____.
A) Tax Revenue
B) Non-Tax Revenue
C) Wages
D) Profits
11. Which of the following is not an example of an indirect tax?
A) Excise Duty
B) Custom Duty
C) Income Tax
D) Value Added Tax
12. Which of the following is a form of the public debt?
A) Machinery
B) Raw Materials
C) Loan
D) Building
13. Which of the following is the term used for the receiving of the income which is not earned?
A) Salary
B) Interest
C) Social Security Contribution
D) Money
14. What affect does the high tax rate have on the demand for the goods?
A) Increases
B) Remains constant
C) Decreases
D) Neither increases nor decreases

15. The tax which deals with the transfer of the burden from one person to another is called as _____.

- A) Incidence tax
- B) Shifting Tax
- C) Direct Tax
- D) Indirect Tax

16. The studying of the public expenditure in detail is called as _____.

- A) Summary
- B) Reading
- C) Analysing
- D) Evaluating

Q1B. Explain these terms.

(07)

- 1. Public goods
- 2. Public Debt
- 3. Incidence of Tax
- 4. Direct Tax
- 5. Public Expenditure
- 6. Underdeveloped countries
- 7. Public Finance.

Q.2 Answer the following.

- A. Give difference in Public and Private Goods. **(04)**
- B. What are the characteristics of structure of Tax system? **(04)**
- C. Give difference between progressive and proportional tax system. **(04)**

OR

- C. What are the reasons for increase in growth of public expenditure? **(04)**

Q.3 Answer the following.

- A. Explain the concept of the types of the taxes in a tax system. **(05)**
- B. Explain the various fiscal functions performed by the government in a country. **(05)**
- C. Explain the features of incidence of tax. **(05)**

OR

- C. Explain elements of Public finance. **(05)**

Q.4A Describe the various characteristics for the concept of cost-benefit analysis as one of the methods for evaluating the public expenditure. **(06)**

Q.4B Explain the economic effects of the taxation on the citizens of the country who pay it to the government of the country. **(06)**

Q.4C Explain principles of Tax in detail. **(06)**

OR

Q.4C What is public Debt? Explain various types of public Debt. **(06)**