

MA ECONOMICS
SECOND SEMESTER
INDIAN PUBLIC FINANCE
MEC-202

Duration: 3 Hrs.

Marks: 70

{ PART : A (OBJECTIVE) = 20
PART : B (DESCRIPTIVE) = 50 }

[PART-B : Descriptive]

Duration: 2 Hrs. 40 Mins.

Marks: 50

[Answer question no. One (1) & any four (4) from the rest]

1. What is government budget? What are the various types of budget in India? Why government always prepare a deficit budget in India, Justify. (2+3+5=10)
2. What is multiplier? If the initial government expenditure is Rs 400 and $mpc=0.6$, then what will be the increase in income in the economy? Discuss the various causes of fiscal imbalance. (2+3+5=10)
3. What are the different types of budget deficit? Elaborate the Implications of different budget deficit. How to finance those deficits? (2+5+3=10)
4. What is fiscal policy? Distinguish between built in flexibility and discretionary fiscal policy. Explain the working of fiscal policy to maintain economic stability. (2+4+4=10)
5. What do you mean by public debt? Explain the various policies on public debt taken by government of India since 1991. (3+7=10)
6. Define revenue and capital expenditure of government budget with example. Explain the trend of revenue receipt in Indian budget since 1951. (4+6=10)
7. What is deficit financing? What is the need for the deficit financing? Discuss in your own word the consequences of deficit budget. (2+2+6=10)
8. What is federal finance? Distinguish between horizontal and vertical imbalance. Write a note on centre state conflict on finance. (2+4+4=10)

17. Choose the correct option for the following statements whether it is true or false
- The value of balanced budget multiplier is unity in case of autonomous taxes.
 - The value of balanced budget multiplier is less than unity in case of proportional taxes.
 - The value of balanced budget multiplier is unity no matter whether the taxes are autonomous or proportional.
 - The value of government expenditure multiplier is more than the value of tax multiplier.
 - A- False, B- False, C- True, D- True.
 - A- True, B- False, C- True, D- True.
 - A- False, B- True, C- False, D- False.
 - A- True, B- True, C- False, D- True.

Directions (Q. Nos. 18-20) In the questions given below are two statement labeled as Assertion (A) and Reason (R). In the context of the two statements which one of the following are correct.

18. Assertion(A) Fiscal deficit is the key indicator of budgetary deficit in India.
Reason (R) Fiscal deficit does not indicate the extent to which the govt. is living beyond its means.
- Both A and R are true, and R is the correct explanation of A.
 - Both A and R are true, but R is not the correct explanation of A.
 - A is true, but R is false.
 - A is false, but R is true.
19. Assertion (A) Indirect taxes promote inequalities in the distribution of income.
Reason (R) The poor bear more burden of indirect taxes.
- Both A and R are true, and R is the correct explanation of A.
 - Both A and R are true, but R is not the correct explanation of A.
 - A is true, but R is false.
 - A is false, but R is true.
20. Assertion (A) At present the indirect tax structure is authorized to both central govt. and state govt.
Reason (R) GST will not unify the present tax structure.
- Both A and R are true, and R is the correct explanation of A.
 - Both A and R are true, but R is not the correct explanation of A.
 - A is true, but R is false.
 - A is false, but R is true.

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UNIVERSITY OF SCIENCE & TECHNOLOGY, MEGHALAYA



Question Paper CUM Answer Sheet

[PART (A) : OBJECTIVE]

Serial no. of the main
Answer sheet

Course :

Semester : Roll No :

Enrollment No : Course code :

Course Title :

Session : 2016-17 Date :

Instructions / Guidelines

- The paper contains twenty (20) / ten (10) questions.
- The student shall write the answer in the box where it is provided.
- The student shall not overwrite / erase any answer and no mark shall be given for such act.
- Hand over the question paper cum answer sheet (Objective) within the allotted time (20 minutes / 10 minutes) to the invigilator.

Full Marks	Marks Obtained	Remarks
20		

Scrutinizer's Signature

Examiner's Signature

Invigilator's Signature