 LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

**M.A.** DEGREE EXAMINATION - **ECONOMICS**

FOURTH SEMESTER – APRIL 2012

# EC 4808 - PUBLIC ECONOMICS - II

Date : 16-04-2012 Dept. No. Max. : 100 Marks

Time : 1:00 - 4:00

**Part – A**

**Answer any FIVE questions in about 75 words each: (5 x 4 = 20 marks)**

1. Measure forward and backward shifting of a per unit tax under increasing returns to scale.
2. Why do we need fiscal stimulus to overcome depression?
3. What are grants-in-aid? Explain its types.
4. Develop arguments in favour of wealth tax.
5. What is Green Tax? Why is it necessary?
6. What is tax buoyancy? How is it measured?
7. Distinguish between income and consumption types of VAT in European countries.

**Part – B**

**Answer any FOUR questions in about 250 words each: (4 x 10 = 40 marks)**

1. Why do we need Central Vat and State VAT in India?
2. Bring out an argument for and against the independent existence of Corporate Income Tax in India along with Personal Income Tax.
3. Explain the receipts and functions of various levels of local bodies in Tamil Nadu.
4. Explain the process of shifting and incidence under constrained sales maximization.
5. Why do we need non-development expenditure in India? Assess their presence in the last ten years.
6. List out the reasons for growing fiscal deficit in Tamil Nadu.
7. Explain the concept of fiscal dynamics with the help of Multiplier-Accelerator model of Paul Antony Samuelson.

**Part – C**

**Answer any TWO questions in about 900 words each: (2 x 20 = 40 marks)**

1. Evaluate the union budget proposals for the year 2012-2013.
2. Trace out the Indirect tax reform in India since 1991.
3. Measure shifting and incidence under perfect and imperfect competition.
4. Explain the role of Fiscal and Monetary policies in economic stabilization.

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