



**LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034**

**M.A. DEGREE EXAMINATION – ECONOMICS**

**THIRD SEMESTER – APRIL 2016**

**EC 3809 - PUBLIC ECONOMICS - I**

Date: 25-04-2016  
Time: 09:00-12:00

Dept. No.

Max. : 100 Marks

**PART A**

**Answer any FIVE questions in about 75 words each**

**(5 x 4 = 20)**

1. What is shadow pricing?
2. 'Social choices must be Transitive' – explain briefly.
3. Write a short note on Civilian Expenditure.
4. What are the various pricing methods of public sector?
5. Why pseudo demand curves are called so?
6. Briefly explain the significance of Public Debt Management.
7. Write a short note on discount rate.

**PART B**

**Answer any FOUR questions in about 300 words each**

**(4 x 10 = 40)**

8. Give an account of various direct and indirect benefits.
9. Explain the efficient allocation of private goods.
10. Market failure is predominant in social goods – Why?
11. Explain the role and objectives of Public Sector.
12. Distinguish between public goods and private goods.
13. Explain the Buchanan and Tullock's Political Interaction Cost Theory.
14. Analyze the various principles of Public Debt.

**PART C**

**Answer any TWO questions in about 1200 words each**

**(2 x 20 = 40)**

15. Enumerate the technique of Cost-Benefit Analysis.
16. Explain the Bowen and Lindahl model of public expenditure.
17. Elucidate the various methods of redemption of Public Debt.
18. Explain how adjustments are made for external benefits and costs of private goods.

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