



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

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

**FOURTH SEMESTER – APRIL 2016**

**EC 4808 - PUBLIC ECONOMICS - II**

Date: 15-04-2016  
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. Write a short note on Patrimonial Finance.
2. How do distortions in required rate of return result in boom and depression?
3. What are the causes of imbalance in allocation of financial resources between the Centre and State Governments?
4. Distinguish between revenue deficit and budget deficit.
5. What is the meaning of impact of taxation?
6. How has the 80<sup>th</sup> Amendment of the Constitution affected local finance?
7. What is Tax Capitalization?

**PART B**

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

**(4 x 10 = 40)**

8. Explain the role of Compensatory Finance in economic stability.
9. What are the taxes levied by the Central Government? Explain each briefly.
10. Explain the various principles of Federal Finance.
11. Put forth the arguments against and favouring Public Works.
12. Explain the role of deficit financing in economic development.
13. What are the dilemmas associated with the abolition of Octroi?
14. Explain the multiplier effect with the aid of a diagram.

**PART C**

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

**(2 x 20 = 40)**

15. Explain the Keynesian framework of policy efficiency.
16. Give a detailed account of the recommendations of the 13<sup>th</sup> Finance Commission.
17. Elucidate the incidence of taxation under Monopoly.
18. Enumerate the functions and finances of Village Panchayat, Panchayat Samities and Zilla Parishad.

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