



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

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

**THIRD SEMESTER – NOVEMBER 2019**

**16/17/18PEC3MC04 – PUBLIC FINANCE - I**

Date: 04-11-2019

Dept. No.

Max. : 100 Marks

Time: 09:00-12:00

**PART – A**

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

**(5X4=20 marks)**

1. Distinguish between private goods and social goods.
2. State the meaning of market failure.
3. What do you understand by qualified majority voting?
4. What is meant by concentration effect?
5. Write a short note on the Internal Rate of Return criterion.
6. State the factors responsible for the emergence of public sector in India.
7. What is meant by sinking fund?

**PART – B**

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

**(4X10=40 marks)**

8. Distinguish between positive and normative public finance.
9. Briefly explain the Wicksell approach of revealing social preferences.
10. What are the reasons for the growth of public expenditure in India?
11. Bring out the political interaction costs of democratic voting.
12. Highlight the criteria for cost-benefit analysis.
13. Diagrammatically explain the intermediate range in the monetary policy.
14. Briefly explain various methods of repayment of public debt in India.

**PART – C**

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

**(2X20=40 marks)**

15. Examine the major functions of public finance in India.
16. Discuss K.J. Arrow's Impossibility Theorem.
17. Analyze the different theories of pricing policies in India.
18. Describe various forms of public debt in India.

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