

LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.A. DEGREE EXAMINATION – ECONOMICS

FIFTH SEMESTER – APRIL 2010

EC 5507/EC 5503 - FISCAL ECONOMICS - II

Date & Time: 03/05/2010 / 1:00 - 4:00 Dept. No.

Max. : 100 Marks

PART – A

Answer any FIVE questions in about 75 words each:

(5 x 4 = 20 Marks)

1. What are the features of Income Tax?
2. Explain Value Added Tax.
3. State the rationale for agricultural taxation.
4. Define Motor Vehicle Tax.
5. Explain the need for Local Finance.
6. Define Revenue Budget.
7. What is the problem of Federal Finance? Explain.

PART – B

Answer any FOUR questions in about 250 words each:

(4 X 10 = 40 Marks)

8. Argue in favour of and against Capital Gains Tax.
9. Discuss the merits and demerits of Value Added Tax.
10. Evaluate the impact of Indirect Taxes on the Economy.
11. Examine the sources of financing local bodies.
12. Discuss the objectives of Performance Budgeting.
13. Explain the problems in financial adjustment in a Federal system.
14. Analyse the methods of Inter-Governmental financial transfer.

PART – C

Answer any TWO questions in about 900 words each:

(2 X 20 = 40 Marks)

15. What is tax evasion and tax avoidance? Discuss the reasons for tax evasion and measures to rectify the same.
16. What are Excise Duties? Explain the objectives and the arguments in favour of and against Excise Duties.
17. Evaluate the financial problems encountered by local bodies and suggest steps to be taken to overcome them.
18. Critically analyse the recommendations of the 13th Finance Commission.

\$\$\$\$\$\$