



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

M.A. DEGREE EXAMINATION – ECONOMICS

THIRD SEMESTER – APRIL 2014

EC 3809 - PUBLIC ECONOMICS - I

Date : 05/04/2014
Time : 01:00-04:00

Dept. No.

Max. : 100 Marks

Part – A

Answer any FIVE questions in about 75 words each.

(5 x 4 = 20)

1. Distinguish between social goods and club goods.
2. What is the stabilization function of government?
3. What is monetization of public debt? Why it is dangerous?
4. Distinguish between tangible and intangible costs and benefits.
5. Distinguish between Foreign Direct Investment and portfolio investment.
6. State Wagner's Law.
7. Comment on the pricing policy of petroleum products of Government of India.

Part – B

Answer any FOUR questions in about 250 words each.

(4 x 10 = 40)

8. Compare Samuelson Model of public expenditure with restatement of Samuelson model by Musgrave.
9. Assess the contribution of A.T. Peacock and J. Wiseman to the theory of public expenditure.
10. Explain various types of costs and benefits considered in evaluating the public sector project like dam and Railway project.
11. Assess the contribution of public sector units to tax collection, employment and share in Gross domestic product.
12. Explain the game theoretic approach to the provision of public goods developed by James M. Buchanan.
13. List out and explain the reasons for current account deficit.
14. Write a note on new pension scheme. Bring out its pros and cons.

Part – C

Answer any TWO questions in about 900 words each.

(2 x 20 = 40)

15. List out the reasons behind growing revenue deficits and Fiscal deficit at the central and state governmental levels in India. Suggest remedies for the same.
16. How do we select public sector projects involving more than two time periods by using internal rate of return criteria?
17. Explain the budget model of Musgrave and Musgrave. Bring out its superiority over earlier models.
18. Explain the working of allocation and distribution functions at the level of central government in India.
