LOYOLA COLLEGE (AUTONOMOUS) CHENNAI – 600 034

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

FOURTH SEMESTER – **APRIL 2025**

PEC4MC02 – PUBLIC FINANCE - II

Date: 25-04-2025 Dept. No. Max. : 100 Marks

Time: 01:00 PM - 04:00 PM

	SECTION A – K1 (CO1)
	Answer ALL the questions **(5 x 1 = 5)**
1	**Fill in the blanks**
a)	__________ refers to the Income Tax payable on the funds raised by unlisted companies from angel Investors.
b)	If elasticity is less than unity, work effort must be raised, and elasticity is greater than unity work effort must be _________.
c)	Lower interest rates may ________ borrowing and spending.
d)	There is flexibility in adjusting real _________ strategies and tactics in response to evolving market conditions, economic trends and regulatory environment.
e)	_____ Committee, officially known as the Indirect Taxation Enquiry Committee was formed in 1977 in India,
	SECTION A – K2 (CO1)
	Answer ALL the questions **(5 x 1 = 5)**
2	**Choose the best answer**
a)	__________ Incidence refers to the legal obligation to pay the tax, which is the initial responsibility as indicated by Law. a) Economic b) Formal c) Statutory d) Effective
b)	As per Progressive Tax on work effort, the average and marginal rates of tax will be increased for people with high income and, ________ for people with low income. a) Increased b) decreased c) zero d) constant
c)	During economic downturns, the government may employ __________ stimulus measures to stimulate economic activity. a) Monetary b) Household c) Private sector d) Fiscal
d)	If adjustment in absolute prices leads to high and sustained inflation, it can _____ economic growth. a) develop b) encourage c) hamper d) Stimulate
e)	________Committee officially known as the Task Force on Direct Taxes. a)The Asim Das Gupta b) The Vijay Kelkar c) The Choksi d) The L.K.Jha
	SECTION B – K3 (CO2)
	Answer any THREE of the following in 100 words each. **(3 x 10 = 30)**
3	Explain the various concepts of Incidence of Tax.
4	Summarize the Goods and Services Expenditure.
5	Justify the different Government schemes to encourage individual saving and promote financial inclusion in India.
6	Infer the differential incidence of tax with growth effect.
7	Categorize the recommendations of the Asim Das Gupta Committee.

SECTION C – K4 (CO3)	
	Answer any TWO of the following in 200 words each. (2 x 12.5 = 25)
8	Examine the various types of budgetary adjustments.
9	Explain the different types of Transfer Payments in India.
10	Infer the discriminatory Income Tax and Capitalization.
11	Assess the financial investment adjustment in budget policy.
SECTION D – K5 (CO4)	
	Answer any ONE of the following in 500 words (1 x 15 = 15)
12	Describe the economic consequences of Budgetary Policy.
13	Estimate the Progressive Taxation with respect to work effort.
SECTION E – K6 (CO5)	
	Answer any ONE of the following in 1000 words (1 x 20 = 20)
14	Analyze the economic and non-economic determinants of Consumption and Saving from the individual perspective.
15	Discuss the recommendations of the L.K. Jha Committee.
