



Date: 28-04-2025

Dept. No.

Max. : 100 Marks

Time: 01:00 PM - 04:00 PM

SECTION A - K1 (CO1)

	Answer ALL the Questions (10 x 1 = 10)
1.	Fill in the blanks
a)	The question of who bears the ultimate burden of taxation is understood by the term _____
b)	_____ is the field of economics that studies government activities and the alternative means of financing government expenditures.
c)	_____ generally means a tax paid directly to the government by the persons on whom it is imposed.
d)	_____ is the chairman of the 16th Finance Commission of India. He's a noted economist and former Vice Chairman of the NITI Aayog.
e)	The canons of public expenditure are given by _____
2.	Choose the correct answer
a)	Which is not an item of social sector expenditure by the Governments? a. Education b. Sports c. Energy d. Health and sanitation
b)	Which is not a function of public policy? a. Allocation b. Distribution c. Management d. Stabilization
c)	Which is a factor affecting the taxable capacity of the nation? a. Level of economic development b. Psychology of the tax payers c. Size of the national income d. All of the above
d)	Indirect taxes are _____ in nature. a. Progressive b. Digressive c. Proportional d. Regressive
e)	Taxes can be shifted a. Only backward b. Only forward c. Both backward and forward d. None of the above.

SECTION A - K2 (CO1)	
Answer ALL the Questions (10 x 1 = 10)	
3.	Match the following
a)	Maximum social advantage - Canard and Mansfield
b)	Avoid extravagance in public expenditure - Allocation
c)	Excess burden of taxation - Dalton
d)	Public financing of goods or services - Deadweight loss
e)	Taxes are distributed throughout society - Canon of Economy
4.	True or False
a)	The concentration theory of tax incidence states that the elasticity of the supply and demand of the product conditions the extent to which taxes will transfer from producers to consumers. True/False
b)	Emergencies such as wars, epidemics and pandemics have no impact on public expenditure. True/False
c)	The Canon of Surplus implies that the state always try to be prudent and should aim at meeting its current expenditure needs out of its current income. True/False
d)	Fiscal federalism is the economic counterpart of political federalism. True/False
e)	Tax shift cannot be achieved through price changes - True/False
SECTION B - K3 (CO2)	
Answer any TWO of the following in 100 words each. (2 x 10 = 20)	
5.	Identify the need for the public sector in an economy.
6.	Discuss the Impact of public expenditure on the development of the economy.
7.	Identify the features of a good tax system
8.	Articulate the advantages and disadvantages of Deficit financing
SECTION C – K4 (CO3)	
Answer any TWO of the following in 100 words each. (2 x 10 = 20)	
9.	Examine the factors influencing taxable capacity of a nation
10.	Critically analyse the concentration theory of tax incidence
11.	Examine the role of Finance commission in facilitating state-centre relations.
12.	Examine the reasons for growth in public expenditure
SECTION D – K5 (CO4)	
Answer any ONE of the following in 250 words (1 x 20 = 20)	
13.	Critically evaluate Dalton's Principle of Maximum Social Advantage
14.	Explain the effects of public expenditure on production, distribution and stability
SECTION E – K6 (CO5)	
Answer any ONE of the following in 250 words (1 x 20 = 20)	
15.	Discuss the ability to pay approach and the benefits principle of taxation
16.	Elaborate on the salient features of the modern theory of tax incidence
