

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

**B.A. DEGREE EXAMINATION – ECONOMICS**

**FIFTH SEMESTER – NOVEMBER 2015**

**EC 5507 - FISCAL ECONOMICS - II**

Date : 12/09/2015  
Time : 01:00-04:00

Dept. No.

Max. : 100 Marks

**PART –A**

Answer any **FIVE** questions in about 75 words each: (5x4=20 marks)

1. Explain Capital Gains Tax.
2. What are the various indicators of deficit financing?
3. List out the functions of a municipal corporation.
4. Briefly explain the role of finance commissions.
5. State the rationale for agricultural tax.
6. Define the Minimum Alternative Tax.
7. Elaborate on the problems of federal finance.

**PART-B**

Answer any **FOUR** questions in about 250 words each: (4x10=40 marks)

8. What are the principles of federal finance?
9. Explain the causes and consequences of deficit financing.
10. Analyse the need for local finance.
11. Explain value added tax and bring out its merits and demerits.
12. Briefly discuss the recommendations of the Thirteenth Finance Commission.
13. Discuss on the key features of the Direct Taxes Code which is to be introduced in India soon.
14. Distinguish between the functions and resources of a Municipal Corporation and a Gram Panchayat.

## PART –C

Answer any **TWO** questions in about 900 words each: (2x20=40 marks)

15. What are the main centre-state disputes in financial relations and suggest ways to resolve them?
16. Elaborate on the various sources of taxes for the Central Government?
17. What is the role of budget in a developing country like India?  
Analyse the different components of revenue and capital budget.
18. Differentiate between tax avoidance and tax evasion. Discuss the various reasons for tax evasions and the measures to correct it.

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