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5 SEM TDC ECO M 2

2016

(November)

ECONOMICS

(Major)

Course : 502

(Public Economics : Policy Issues)

Full Marks : 80

Pass Marks : 32 (Backlog) / 24 (2014 onwards)

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*

1. Answer/Choose the correct answer/Fill in the blanks of the following : $1 \times 8 = 8$

(a) Write a major item which is kept outside the proposed Goods and Services Tax (GST).

- (b) India is considered as a
- (i) highly indebted country with a high risk of falling in debt trap
 - (ii) highly indebted country with a low risk of falling in debt trap
 - (iii) moderately indebted country with zero risk of falling in debt trap
 - (iv) All of the above
- (c) Zero-based budgeting implies
- (i) plan and programme budgeting in an old fashion
 - (ii) zero-tax budget
 - (iii) no appraisal of old and new programmes
 - (iv) None of the above
- (d) Fiscal deficit is defined as
- (i) total expenditures less total receipts excluding borrowings
 - (ii) primary deficit plus interest payment
 - (iii) Both (i) and (ii)
 - (iv) Neither (i) nor (ii)

(e) As per 2016-17 Budget, the income tax rate of 20% will be applicable for women tax payers in the income range

(i) ₹ 2 lakh—₹ 5 lakh

(ii) ₹ 5 lakh—₹ 8 lakh

(iii) ₹ 5 lakh—₹ 10 lakh

(iv) None of the above

(f) Write the full form of FRBM (or FRBMA).

(g) As per the 13th and 14th Finance Commission Reports, States' share in central taxes were ____% and ____% respectively.

(h) Which of the following is not an objective of fiscal policy?

(i) Economic growth with stability

(ii) Regulating financial institutions to control trade cycle

(iii) Maximization of employment level

(iv) None of the above

2. Write short notes on any *four* of the following
(within 150 words each) : $4 \times 4 = 16$

- (a) Structure of taxation in developing economies
- (b) Impact of public expenditure on Indian economy
- (c) Meaning and importance of the concepts of revenue deficit and primary deficit
- (d) Importance of fiscal policy in developed economies
- (e) Fiscal federalism

Answer the following questions (within 500 words each) :

3. (a) What are the main features of Indian tax system? Explain how introduction of Goods and Services Tax (GST) can help the Indian tax system. $6+6=12$

Or

(b) Explain the meaning of rationalization of tax system. Discuss the role of tax system in market economy. $6+6=12$

4. (a) Critically examine the trend and pattern of public expenditure in India. 7+4=11

Or

- (b) Explain the nature and volume of external and internal public debt in India. Discuss how the government borrowing is helping Indian economy.

7+4=11

5. (a) What are the main features of the Union Budget, 2016-17? Explain the measures incorporated in the budget for tax reforms. 6+5=11

Or

- (b) Write the meaning of budget. Mention three important limitations of the Union Budget, 2016-17. Write a critical note on 'budget as an instrument of economic policy'.

1+3+7=11

6. (a) Critically discuss the objectives of fiscal policy in developing economies. 11

Or

- (b) Explain the fiscal reform measures taken in India in the context of new economic policy. Do you think these measures are adequate? Give justifications.

7+4=11

7. (a) What are the functions of Finance Commission in India? Discuss the issues related to the financial adjustment in a federal system. 3+8=11

Or

(b) Explain the major differences between 13th and 14th Finance Commissions' recommendations. 11
