

2025

ECONOMICS — HONOURS

Paper : CC-13

(Public Economics)

Full Marks : 65

The figures in the margin indicate full marks.

*Candidates are required to give their answers in their own words
as far as practicable.*

Group - A

1. Answer *any ten* questions : 2×10
- (a) Distinguish between national public goods and local public goods.
 - (b) What do you understand by progressive taxation?
 - (c) What do you understand by excess burden of indirect tax?
 - (d) What is meant by double taxation of savings?
 - (e) Mention two sources of non-tax revenue.
 - (f) What is Ricardian Equivalence?
 - (g) Explain what is meant by a good being excludable and rival in consumption.
 - (h) What is capital account of a budget?
 - (i) What do you mean by regressive taxation?
 - (j) What is advolarem tax?
 - (k) Write two canons of taxation of Adam Smith.
 - (l) Give two reasons of market failure.
 - (m) What do you mean by deficit financing?
 - (n) What are mixed goods?
 - (o) What do you understand by fiscal federalism?

Group - B

Answer *any three* questions.

2. Graphically explain the condition for equilibrium in the Lindahl Model. 5
3. Does equal sacrifice principle call for progressive taxation? Explain. 5

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4. Derive the fiscal multiplier due to change in government expenditure in case of
(a) Lump sum tax
(b) Income tax. 2½+2½
5. Briefly give the rationale of decentralization of government's economic activities. 5
6. Distinguish between revenue deficit and budgetary deficit in Government Budget. 5

Group - C

Answer *any three* questions.

10×3

7. Describe the main economic functions of the government.
8. What is the Pareto optimality condition in a two-good model with a pure private good and a public good?
9. Critically explain the voting equilibrium with its properties.
10. 'An indirect tax imposes an excess burden compared to a direct tax of equal yield.' Do you agree with this view? Give reasons for your answer.
11. Does public debt create a burden on future generation?
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