LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

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

FOURTH SEMESTER – NOVEMBER 2012

# EC 4504 - FISCAL ECONOMICS - I

Date : 03/11/2012 Dept. No. Max. : 100 Marks

Time : 1:00 - 4:00

**PART – A**

**Answer any FIVE questions in about 75 words each: (5 x 4 = 20 Marks)**

1. Define ‘Public Finance’.
2. Define Maximum Social Advantage.
3. Explain Wagner’s law of public expenditure.
4. Briefly discuss any two canons of public expenditure.
5. Explain the features of a tax.
6. Discuss backward shifting.
7. What are the objectives of fiscal policy?

**PART – B**

**Answer any FOUR questions in about 250 words each: (4 X 10 = 40 Marks)**

1. Bring out the distinction between public and private finance.
2. Examine the types of public expenditure.
3. Discuss the ability to pay theory of taxation.
4. Explain the factors influencing taxable capacity.
5. Analyse the Concentration and Diffusion theories of incidence of taxation.
6. Trace the causes for the growth of public expenditure.
7. Examine the tools of fiscal policy.

**PART – C**

**Answer any TWO questions in about 900 words each: (2 X 20 = 40 Marks)**

1. Explain the Principle of Maximum Social Advantage.
2. Evaluate the effects of taxation on economic activities.
3. Analyse the objectives of taxation.
4. Examine the objectives of fiscal policy.

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