B.Sc. 6th Semester (Honours) Examination, 2021

Subject: ECONOMICS

Course ID: 61612   Course Code: SH/ECO/602/C-14

Course Title: Public Economics

Time: 2 Hours   Full Marks: 40

The figures in the right-hand side margin indicate marks.
Candidates are required to give their answers in their own words as far as practicable.

1. Answer any five of the following questions: (2*5=10)

    a)   What is merit good?
    b)   State Coase Theorem.
    c)   State an example each for positive externality and negative externality.
    d)   Give two examples of capital expenditure of the government.
    e)   What is balanced budget multiplier?
    f)   What is budget?
    g)   State two merits of progressive taxation.
    h)   Define regressive tax.

2. Answer any four questions: (5 * 4 = 20)

    a)   Write a short note on – 'Market failure and Government Intervention'.
    b)   Describe the free rider problem.
    c)   What is optimal tax? How can one determine the rate of optimal tax?   (2 + 3)
    d)   Write down the differences between direct tax and indirect tax.
    e)   Write a short note on fiscal federalism.
    f)   Discuss about the impact and incidence of sales tax as imposed upon the sellers who are facing perfectly elastic supply of the commodity.   (2.5 + 2.5)

3. Answer any one: (10 *1 =10)

    a)   Determine Lindhal's equilibrium in the context of provisioning of public good.
    b)   What do you mean by public debt? Write down the sources of internal and external debt for the government.   (2 + 4 + 4)