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B.A. RNLKWC-/CC12T/23

2023

ECONOMICS

B.A. 5th Semester Examination - 2023

PAPER - CC12T

Full Marks : 60

Time - 3 hours

*The figures in the right-hands margin indicate marks.*

*Candidates are required to give their answers in their own words as far as practicable. Illustrate the answers wherever necessary.*

**Group - A**

- 1 Answer any ten question of the following :  $2 \times 10 = 20$
- a) Define positive externalities. 2
  - b) Define Equal Marginal Sacrifice principle of taxation. 2
  - c) What do you mean by market failure ? Why does it occur ? 2
  - d) Give two examples of non-tax revenue. 2
  - e) What is meant by tax-neutrality ? 2
  - f) What is 'Laffer curve' ? 2
  - g) What is incidence of taxation ? 2

*(Turn Over)*

(2)

- h) Define progressive tax structure. 2
- i) What is external public debt? 2
- j) What is excise duty? 2
- k) What is free rider problem? 2
- l) What is deficit financing? 2
- m) What do you mean by vertical and horizontal equity? 2
- n) Write down the characteristics of public good. 2
- o) Define budget deficit. 2

**Group - B**

Answer any four questions of the following : 5 x 4 = 20

- 2 Explain the canons of taxation. 5
- 3 Discuss the merits and demerits of the benefit principle of taxation. 5
- 4 Explain different types of deficit in budget. Mention one problem of deficit financing. 4+1=5

(3)

5. When is GST introduced in India? What are the central and state taxes subsumed by the GST? 1 + 4 = 5
6. Briefly explain the Coase Theorem. 5
7. Give the reasons for why government intervention is necessary for the production of public goods. 5
8. What type of fiscal policy would you suggest to control inflationary situation. 5

**Group - BC**

Answer any two of the following questions : 10 x 2 = 20

9. Explain the ability to pay principle of taxation and in this context distinguish between horizontal equity and vertical equity. 10
10. Critically discuss the solution proposed by Lindahl regarding the optimal provision of public good. 10
11. Do you think that an indirect tax imposes an excess burden as compared to direct tax? Give reasons for your answer. 10
12. What is tax multiplier? Prove that the value of balanced budget multiplier is equal to unity. 2 + 8 = 10