

TM153205A

Reg. No:.....

Name:..

M. A. DEGREE (C.S.S.) EXAMINATION, OCTOBER 2016

SEMESTER III – ECONOMICS

EC3C12TM – PUBLIC ECONOMICS

Time: Three Hours

Maximum Marks: 75

PART A

I. Answer any five questions. Each question carries 3 marks

1. Bring out the difference between rent seeking and profit seeking behavior
2. Compensatory finance
3. GST
4. Fiscal policy
5. Rationale for government intervention
6. Differentiate between merit goods and local public goods
7. Dead weight loss

(5x3=15)

PART B

II. Answer any six questions. Each question carries 5 marks

8. Comment on free rider problem in the case of public goods
9. Explain the concept of Balanced budget multiplier
10. Comment on incidence of major taxes in India
11. Examine Leviathan hypothesis
12. Discuss the factors leading to government failure
13. Explain the limitations of fiscal policy in LDCs
14. Comment on Economic theory of democracy
15. Discuss the issues of subsidies in India
16. Examine the voluntary exchange model of Lindahl

(6x5=30)

PART C

III. Answer any two questions. Each question carries 15 marks.

17. Explain the role of fiscal policy in economic stabilization
18. Critically examine the theory of optimal taxation
19. Discuss the role of government in a mixed economy
20. Explain the efficiency conditions with respect to the provision of public goods

(2x15=30)