

MASTER'S DEGREE (C.S.S) EXAMINATION, MARCH 2025
2020, 2021, 2022, 2023 ADMISSIONS SUPPLEMENTARY
SEMESTER II - CORE COURSE ECONOMICS
EC2C08TM20 - Public Economics

Time : 3 Hours

Maximum Weight : 30

Part A

I. Answer any Eight questions. Each question carries 1 weight

(8x1=8)

1. Give two instances of market failure.
2. Can you define the term 'pareto efficiency'?
3. Explain the interdependence feature of externality.
4. Can market failure be caused by inequality? Explain.
5. Define Unanimity Rule.
6. Explain Mueller's three arguments of voting system.
7. Compare specific and ad valorem tax.
8. Write a note on FRBM Act.
9. Explain the criteria for the devolution of funds between Centre and State Governments.
10. Explain Vertical Fiscal Gap.

Part B

II. Answer any Six questions. Each question carries 2 weight

(6x2=12)

11. Does failure of competition lead to market failure? Explain.
12. Government intervenes to solve market failure arising due to information failures and incomplete markets. Substantiate this argument.
13. What kind of preference revelation mechanism has been put forward by Clarke and Groves?
14. State the point of view of Tiebout about the ability of individuals to move between jurisdictions to solve the problem related to local public good.
15. Explain Rational voter hypothesis.
16. Briefly explain Niskanen Model of Bureaucratic Behavior.
17. How do you differentiate classical and Keynes' view of public debt?
18. Briefly explain Fiscal imbalance. Explain the various mechanisms for correcting the fiscal imbalances.

Part C

III. Answer any Two questions. Each question carries 5 weight

(2x5=10)

19. What is market failure approach to the role of government? What are the positive and normative perspectives about the role of government?
20. Examine the different rules related to majority voting. How is the voting theory of Buchanan and Tullock different from them?
21. Which are the different theories of taxation? Examine theories of incidence of taxation.
22. Evaluate the role of finance commission in maintaining vertical & horizontal fiscal balance with special reference of the award of the 15th Finance Commission.