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**PRESIDENCY UNIVERSITY**

**Bengaluru**

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| **End - Term Examinations – JANUARY 2025** |
| **Date:** 17 – 01- 2025 **Time:** 01:00 pm – 04:00 pm |

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| **School:** SOC | **Program:** B.SC. (ECONOMICS) [ECONOMICS,STATISTICS,MATHEMATICS] | |
| **Course Code :** BSE2041 | **Course Name :** Public Finance | |
| **Semester**: III | **Max Marks**: 100 | **Weightage**: 50% |

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| **CO - Levels** | **CO1** | **CO2** | **CO3** | **CO4** | **CO5** |
| **Marks** | **11** | **28** | **26** | **26** | **11** |

**Instructions:**

1. *Read all questions carefully and answer accordingly.*
2. *Do not write anything on the question paper other than roll number.*

**Part A**

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| **Answer ALL the Questions. Each question carries 2 marks. (10Q x 2M = 20M)** | **Bloom's Level** | **CO** |

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| **1** | Define the classification of public expenditure. | **2 Marks** | **Remember** | **CO2** |
| **2** | Explain the importance of a budget in fiscal policy. | **2 Marks** | **Remember** | **CO1** |
| **3** | How does the public budget act as an instrument of economic policy? | **2 Marks** | **Remember** | **CO2** |
| **4** | Explain the Principle of maximum social advantage. | **2 Marks** | **Remember** | **CO2** |
| **5** | Define Public Finance | **2 Marks** | **Remember** | **CO3** |
| **6** | Define a "surplus budget"? | **2 Marks** | **Remember** | **CO3** |
| **7** | Mention any two causes of growth in public expenditure. | **2 Marks** | **Remember** | **CO4** |
| **8** | What is the ability-to-pay approach in taxation? | **2 Marks** | **Remember** | **CO4** |
| **9** | Explain the difference between direct and indirect taxes. | **2 Marks** | **Remember** | **CO5** |
| **10** | Explain Wagner’s law of increasing state activities. | **2 Marks** | **Remember** | **CO5** |

**Part B**

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| **Answer ALL the Questions. Each question carries 7 marks. (5Q x 7M = 35M)** | | | | **Bloom's Level** | **CO** |
| **11** |  | Define public finance and explain its scope. | **7 Marks** | **Understand** | **CO1** |
|  | **Or** | | | | |
| **12** |  | Explain the principle of maximum social advantage and its relevance to public finance. | **7 Marks** | **Understand** | **CO1** |

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| **13** |  | Define taxation and explain its importance as a source of public revenue. | **7 Marks** | **Understand** | **CO2** |
|  | **Or** | | | | |
| **14** |  | Define public expenditure and explain its various classifications. | **7 Marks** | **Understand** | **CO2** |

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| **15** |  | Discuss the relationship between public expenditure and economic growth. | **7 Marks** | **Understand** | **CO4** |
|  | **Or** | | | | |
| **16** |  | Discuss the economic and functional classification of a public budget. | **7 Marks** | **Understand** | **CO4** |

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| **17** |  | What are the economic efficiency issues in multilevel government systems? | **7 Marks** | **Understand** | **CO3** |
|  | **Or** | | | | |
| **18** |  | Explain the characteristics of a good tax system. | **7 Marks** | **Understand** | **CO3** |

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| **19** |  | Discuss the importance of budgeting for government fiscal health. | **7 Marks** | **Understand** | **CO5** |
|  | **Or** | | | | |
| **20** |  | Explain how Public Finance differs from private finance? | **7 Marks** | **Understand** | **CO5** |

**Part C**

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| **Answer Any THREE Questions. Each question carries 15 marks. (3Q x 15M = 45M)** | **Bloom's Level** | **CO** |

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| **21** | Critically analyze the principle of maximum social advantage with real-life examples. | **15 Marks** | **Apply** | **CO3** |
| **22** | Critically analyze the Peacock-Wiseman hypothesis in the context of public expenditure growth. | **15 Marks** | **Apply** | **CO2** |
| **23** | Critically analyze the role of the public budget as an instrument of economic policy. | **15 Marks** | **Apply** | **CO4** |
| **24** | Analyze the benefit and ability to pay approaches in taxation with suitable examples. | **15 Marks** | **Apply** | **CO3** |

**\*\*\*\*\* BEST WISHES \*\*\*\*\***