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PG Even Semester (CBCS) Exam., May—2019

ECONOMICS

(2nd Semester)

Course No. : ECOCC–204

(Public Economics)

Full Marks : 70

Pass Marks : 28

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*

Answer **five** questions, taking **one** from each Unit

UNIT—I

1. What do you understand by market failure? What are the principal causes of market failure? How can market failure be corrected? Elaborate. 2+6+6=14

2. What are club goods? How are they different from private goods? How can you determine the optimal quantity of public goods to be provided? Explain with reference to the Buchanan model. 3+3+8=14

(2)

UNIT—II

3. *(a)* Give an outline of the Buchanan Tullock model. Are the predictions of the model consistent with majority rule? 6+2=8

   (b) Give an account of the Niskanen model of bureaucratic behaviour. 6

4. Write notes on the following : 7+7=14

   (a) Unanimity rule

   (b) Median voter theorem

UNIT—III

5. What do you mean by tax incidence? Explain the rules of tax incidence. Explain the rules of tax incidence. Distinguish between the partial and general equilibrium models of tax incidence. 3+6+5=14

6. *(a)* Discuss Musgrave's theory of inter-generational equity in the distribution of the burden of public debt. 8

   (b) Explain the BDK thesis of distribution of public debt burden among present and future generations. 6

(**3**)

UNIT—IV

7. How does the budget function as a tool of economic policy? Discuss the effectiveness of fiscal policy in maintaining internal and external balances.   5+9=14

8. *(a)* Derive the balanced budget multiplier. Under what situation is it equal to unity? Discuss.   5+2=7

    (b) What do you know about the FRBM Act? Enumerate its salient features.

                      2+5=7

UNIT—V

9. What are intergovernmental grants? Discuss their types. Elaborate the effects of various types of grants.   3+3+8=14

10. What are the assumptions of the Tiebout model? Examine its applicability in the field of local finance. What are its limitations? Elaborate.   5+6+3=14

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