2026

ECONOMICS — HONOURS

Paper : DSCC-15

(Public Economics-I)

Full Marks : 75

The figures in the margin indicate full marks.

Candidates are required to give their answers in their own words as far as practicable.

Group - A

1. Answer ***any ten*** questions : 2×10

(a) What is Laffer curve?

(b) What do you mean by club goods?

(c) What is meant by fiscal federalism?

(d) What do you mean by budget deficit?

(e) Mention two objectives of a budget policy.

(f) What is Ricardian equivalence?

(g) Give an example of negative externality.

(h) What do you mean by tax devolution?

(i) Define vertical equity.

(j) What is a merit good?

(k) What is capital account of government expenditure?

(l) What do you mean by optimum budget?

(m) What is progressive taxation?

(n) What do you mean by deficit financing?

(o) Give two examples of indirect tax.

Group - B

2. Answer ***any five*** questions : 5×5

(a) Distinguish between private good and public good.

(b) Graphically explain the condition of equilibrium in Lindahl Model.

(c) Explain the causes of market failure for social goods.

(d) What are the major differences between direct tax and indirect tax?

(e) What are the canons of taxation?

(f) "Debt finance acts as a burden to future generation." — Justify whether the statement is true or not.

(g) What do you mean by excess burden of an indirect tax?

(h) What is meant by efficient provision of public goods?

Group - C

Answer ***any three*** questions.

3. Define fiscal deficit, revenue deficit and primary deficit. What are the classifications of public expenditure? (2+2+2)+4

4. What do you mean by proportional income tax? Discuss the impact of taxation on work effort of a worker. 2+8

5. If all individuals have identical and declining marginal utility of income, discuss the alternative rules of equal sacrifice principle with the help of a diagram. 10

6. Distinguish between internal borrowings and external borrowings. Discuss the sources of public borrowing. 6+4

7. What do you mean by budget? What are the different types of budget? What are the sources of revenue of central government in a budget? 2+3+5
