

Total No. of Printed Pages—7

5 SEM TDC ECO M 2

2 0 2 1

(March)

ECONOMICS

(Major)

Course : 502

(Public Economics : Policy Issues)

Full Marks : 80

Pass Marks : 32/24

Time : 3 hours

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

1. Answer the following as directed : $1 \times 8 = 8$

(a) As per the 15th Finance Commission recommendation, States' share in Central taxes for the year 2020–21 is

(i) 32%

(ii) 39.5%

(iii) 41.0%

(iv) None of the above

(Choose the correct answer)

(b) The share of concessional debt in the total external debt of India over the year has

- (i) increased
- (ii) decreased
- (iii) remain unchanged
- (iv) All of the above

(Choose the correct answer)

(c) Zero-base budgeting implies

- (i) zero deficit financing
- (ii) no provision for unproductive expenditure
- (iii) no appraisal of new programmes
- (iv) preparation of new budget every time

(Choose the correct answer)

(d) Which is true of the Finance Commission?

- (i) It is a statutory body
- (ii) It is constituted under the Article 280 of the Constitution
- (iii) Both (i) and (ii)
- (iv) Neither (i) nor (ii)

(Choose the correct answer)

(e) The objective of fiscal policy is

(i) rapid economic growth

(ii) price stability

(iii) Both (i) and (ii)

(iv) Neither (i) nor (ii)

(Choose the correct answer)

(f) As per the Budget 2020-21, what will be the concessional corporate tax rate on the new domestic companies in manufacturing and power sector?

(g) As per the Union Budget 2020-21, the highest tax revenue will be realised through

(i) corporation tax and GST

(ii) income tax and wealth tax

(iii) customs and union excise duties

(iv) sales tax and land revenue

(Choose the correct answer)

(h) India's corporate tax rate (22%) is one of the lowest in Asia.

(Write True or False)

2. Write short notes on any *four* of the following
(**within 150 words** each) : 4×4=16

- (a) Role of tax system in market economy
- (b) Negative impact of public debt on Indian economy
- (c) Importance of budget in economic development
- (d) Uses of different fiscal instruments
- (e) Reasons for Centre-State conflict in a federal system

Answer the following questions (**within 500 words** each) :

3. (a) Explain the basic features of Indian tax system. Give an account of the recent tax reform measures of the Government of India.

6+6=12

(5)

Or

(b) Discuss the structure and pattern of taxation in developing countries with special reference to India. 12

4. (a) Explain the nature and volume of external public debt in India. Discuss the impact of external debt on Indian economy. 6+5=11

Or

(b) What are the major heads of public expenditures in India? Discuss the trend and pattern of public expenditure in India. 3+8=11

5. (a) Define budget. Write a critical note on the technique of budgeting. 2+9=11

Or

(b) Explain the main features of the Union Budget 2020-21. What are the

(6)

income brackets for the 'simplified and new income tax regime' (as an option to the old regime)? 8+3=11

6. (a) Explain the major fiscal reform measures undertaken in India in the context of the New Economic Policy (NEP). Analyse their contribution to the Indian economy. 7+4=11

Or

- (b) Explain the objectives of fiscal policy in developing economies and developed economies. Do you observe any major differences in the role of fiscal policy for developed and developing nations? 3+3+5=11

7. (a) Explain the principles of allocation of resources in a federal system. Which are the two most important principles and why? 7+4=11

(7)

Or

- (b) What are the terms of reference of the 14th Finance Commission? Explain its major recommendations. 3+8=11
