

A-9/R

(Printed Pages 3)

Roll No. _____

CH-2/2822

B. Com. (Hons.) (Second Semester)

Examination, 2015

COMMERCE

(Public Finance)

(BCH-202)

Time Allowed : Three Hours] [Maximum Marks : 70

Note : Answer **five** questions in all, selecting **one** question from each unit. Question **No. 1** is **compulsory**.

1. Write short notes on the following : $3 \times 10 = 30$
 - (a) Difference between progressive tax and regressive tax.
 - (b) Canon of Coordination.
 - (c) Compensatory Finance
 - (d) Capital Levy.
 - (e) Wagner's Law

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- (f) Taxable Capacity
- (g) Repudiation of Loan
- (h) Divisible Pool .
- (i) Functional Finance.
- (j) Difference between Revenue Deficit and Capital deficit.

Unit-I

- 2. Explain, in detail, the various principles of taxation given by Adam Smith and Bastable? 10
- 3. Explain the principle of "Ability to pay". How would you measure the "Ability to pay" of an individual? 10

Unit-II

- 4. What are the various effects of Public Expenditure on Production and Distribution? 10
- 5. Distinguish between Redeemable Debt and Irredeemable Debt. What are the different method of repayment of Public debt? 10

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Unit-III

- 6. Explain the various principles of Federal Finance? What are the main reasons for dependency of the states on the centre for financial assistance? 10
- 7. What are the main instruments of fiscal policy? Compare the main objectives of fiscal policy of developed economy with that of developing economy. 10

Unit-IV

- 8. Explain the term "Deficit Financing "? What are the various evil effects of deficit financing. 10
- 9. Discuss the various sources of income of central government and state governments in India. Give suggestions for the improvement in State finances in India. 10

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