

Total No. of Printed Pages—6

**5 SEM TDC ECO M 2**

**2 0 1 7**

( November )

**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. Choose the correct answer/Answer the following : 1×8=8

(a) The Union Budget 2017-18 created a history by

(i) presenting a merged railway and general budget

(ii) advancing presentation of the budget by one month

(iii) Both (i) and (ii)

(iv) Neither (i) nor (ii)

(b) For the financial year 2017-18, as percentage of GDP, fiscal deficit is pegged at

(i) 3.0

(ii) 3.1

(iii) 3.2

(iv) 3.3

(c) The current income tax exemption limit for general assessee in India is

(i) ₹ 1.5 lakh

(ii) ₹ 2.0 lakh

(iii) ₹ 2.5 lakh

(iv) ₹ 3.0 lakh

(d) India's four-slab rate structure of GST is

(i) 5% 12% 18% 28%

(ii) 0% 12% 18% 40%

(iii) 8% 12% 16% 24%

(iv) None of the above

- (e) Mention one non-tax method of transfer of resources from the Centre to the States.
- (f) Mention one objective of fiscal policy which is particularly relevant in less developed economies.
- (g) Write the full form of PAN.
- (h) Write one important feature of federal finance.

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

- (a) Tax reform measures in the current budget
- (b) Productive and unproductive public expenditures in India
- (c) Fiscal deficit—meaning and importance
- (d) Limitations of fiscal policy
- (e) Reasons behind conflicting relationship between Centre and States

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

3. (a) Write a critical note on the structure, strengths and weaknesses of Indian tax system.  $4+4+4=12$

Or

- (b) Discuss the structure, pattern and policies of taxation in developing economies.  $4+4+4=12$

4. (a) Explain the trend and pattern of public expenditure in India. Discuss its impact on Indian economy.  $3+3+5=11$

Or

- (b) Explain the nature and magnitude of external debt in India. Discuss its positive and adverse impacts on Indian economy.  $5+3+3=11$

5. (a) Discuss the salient features of India's latest budget for 2017-18. Explain the measures incorporated in the budget for agricultural development.  $8+3=11$

Or

(b) Write the meaning and basic features of programme and zero-base budgeting. What are the merits and demerits of zero-base budgeting?  $5+3+3=11$

6. (a) Explain the role of fiscal policy in developing and developed economies. Do you think that fiscal policy plays a different role in developed and in developing economies? Justify.  $7+4=11$

Or

(b) Give an account of the reform measures taken in India in the spheres of tax, public borrowings and public expenditures in the context of New Economic Policy and Union Budget 2017-18.  $8+3=11$

7. (a) Explain the principles of allocation of resources. Discuss the role of the Finance Commission in India in the context of maintaining and promoting Centre-State financial relations.  $4+7=11$

Or

- (b) What are the major recommendations of the 14th Finance Commission? Do you think that these measures will help in reducing vertical and horizontal fiscal imbalance in India? Justify. 7+4=11

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