

**Fourth Semester FYUGP Degree (Reg) Examination April
2026**

KU4DSCECO208 - PUBLIC FINANCE

2024 Admission onwards

Time : 2 hours

Maximum Marks : 70

Section A

Answer any 6 questions. Each carry 3 marks.

1. What is tax shifting?
2. What is public revenue?
3. Define fiscal deficit.
4. Define Finance Commission.
5. Define federal finance.
6. What is meant by Pareto Optimality?
7. Define social welfare.
8. Name two reasons for market failure.

Section B

Answer any 4 questions. Each carry 6 marks.

9. Distinguish between surplus and deficit budget.
10. Distinguish between fiscal deficit and primary deficit.
11. Discuss the functions of the Finance Commission.
12. How efficiency and equity ensure maximization of social welfare?
13. Define externality. Explain two types of externalities with examples.
14. Compare private sector and public sector solutions to externalities.

Section C

Answer any 2 questions. Each carry 14 marks.

15. Critically explain Wagner's hypothesis of increasing state activity.
16. Discuss the causes for the growth of public expenditure in India.
17. a) Explain the major sources of public revenue. b) Explain the main non tax revenue sources with examples.