

SEAT No. _____

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SARDAR PATEL UNIVERSITY
VALLABH VIDYANAGAR - 388 120
Semester End Examination 2021
S.Y.B.A (Adv) SEMESTER 3
UA03CEEC22- PUBLIC FINANCE

Date: 6TH January, 2021, Wednesday

Time: 10.00 AM TO 12.00 PM

Marks: 60

Note: Figures to the right indicate marks.
Draw diagrams wherever necessary

Q1) Attempt the following -

(20)

1. When total tax revenue is less than expenditure, it is called:
a. Surplus budget b. Balanced budget c. Deficit budget d. None of these
2. Who is responsible for controlling Government expenditure?
a. Central Bank b. Planning Commission c. Ministry of Finance d. Finance Commission
3. Which are the sources of Internal borrowing?
a) PF b) NSC c) Post Office Savings d) All of these
4. _____ tax is progressive in nature.
a. Direct Tax b. Indirect Tax c. GST d. None of the above
5. Shifting of tax means :
a. Tax Avoidance. b. Who ultimately pays the tax
c. How tax burden shifted d. The way in which tax is collected
6. Which is a productive debt?
a. Building Legislative assembly b. Buying planes for Government
c. Borrowing for Sardar Sarovar d. None of the above
7. The burden of indirect tax can be shifted
a. True b. false
8. A pure private good is subject to
a. Non exclusion b. Exclusion c. Low satisfaction d. None of these
9. public good is subject to:
a. Non exclusion b. Exclusion c. Low satisfaction d. None of these
10. Canon of expenditure does not include
a. Largest Good of largest number of people b. Economy
c. Elasticity d. individual interest
11. during depression public expenditure _____
12. _____ is not a method of debt redemption.
a. surplus budget b. terminal annuity.
c. conversion d. write off

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[P.T.O.]

13. canon of public expenditure deal with _____
14. _____ is a form of public debt
- borrowing by government
 - borrowing by State governments
 - borrowing by central bank
 - All of these .
15. Repudiation means -----
16. The major difference between public finance and private finance is
- Private finance is limited
 - Public finance has unlimited resources
 - Both has income and expenditure
 - All of these
17. Wagnor's Theorem explains
- Growth of public expenditure.
 - Growth of taxation
 - Growth of public debt.
 - None of the above
18. Which is not a classification of budget
- Revenue budget
 - Capital budget
 - Contingency budget
 - None of the above
19. Which are the sources of external borrowings?
- WB
 - IMF
 - ADB
 - All of the above
- 20 Impact of public expenditure on saving is
- Negative
 - Positive
 - Neutral
 - None of the above

Q2. What is public expenditure? What are the causes of rise in Public Expenditure?

(15)

OR

Q2. Explain in detail merits and demerits of direct taxes.

(15)

Q3 Answer any five

(25)

- Examine in detail various canons of taxation,
- Explain the methods of debt redemption,
- Merits of indirect taxes,
- Classification of public debt,
- Canons of public expenditure,
- Classification of budget,
- Wagner's law of public expenditure,
- Effects of taxation,
- internal debt is no debt at all
- Methods of debt redemption.

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