

# HERAMB COACHING CLASSES

Yogeshwar Towers, Katemanivali, Kalyan (E)

**SYBCOM/ Economics MARKS: 100 DURATION: 3HOURS DATE: 05.04.2019**

**NOTE: 1) All questions are compulsory.**

**2) All question carries equal marks.**

**3) Use of simple calculator is allowed.**

**4) Draw neat diagram wherever necessary.**

**Q.1 A) Explain the following concept: (any5)**

**(10)**

- 1) Financial administration
- 2) Net social advantage
- 3) Regressive taxation
- 4) Impact of tax
- 5) Revenue expenditure
- 6) Concentration effect
- 7) Zero based budget
- 8) Goods and service tax

**B) Choose the right answer from the given option and rewrite the statement.**

**(10)**

- 1) PP curve is illustrated to explain \_\_\_\_\_.  
a) Economic efficiency      b) public goods      c) government policy      d) all of these
- 2) Which goods are characterized by two important features i.e. non-rival and non-excludability \_\_\_\_\_?  
a) Public goods      b) private goods      c) agriculture goods      d) all of these
- 3) Which is indirect tax \_\_\_\_\_.  
a) Corporate income tax      b) capital gain tax      c) custom duty      d) gift tax
- 4) In case of forward shifting of tax burden, is lies on \_\_\_\_\_.  
a) Producer      b) worker      c) consumer      d) all of them
- 5) An adverse effect on taxation is \_\_\_\_\_.  
a) Discourage willingness to work      b) discourage ability to work  
c) Discourage willingness and ability to produce      d) all of these
- 6) Which is not canon of public expenditure \_\_\_\_\_.  
a) Surplus      b) sanction      c) economy      d) convenience
- 7) Which of the following programme aims at financial inclusion \_\_\_\_\_.  
a) Public provident fund      b) Atal pension yojana      c) Pradhan mantra Jan dhan yojana  
d) Mahatma Gandhi national rural employment guarantee act
- 8) Revenue expenditure do not include \_\_\_\_\_.  
a) Interest payment      b) Subsidies      c) Debt repayment      d) expenditure on civil administration
- 9) Fiscal deficit = \_\_\_\_\_.  
a) Total expenditure – total receipt      b) total expenditure - capital receipt

c) Total expenditure – revenue receipt      d) total expenditure – (revenue receipt+ non borrowing capital receipt)

10) Deficit financing is resorted when \_\_\_\_\_.

- a) Public expenditure > public revenue      b) public expenditure > public revenue
- c) Public expenditure = public revenue      d) none of these

**Q.2 Answer any 2 of the following. (20)**

- 1) Explain the meaning and function of public finance.
- 2) Explain the limitation of the principle of maximum social advantage.
- 3) Examine the role of government in connecting market failure.

**Q.3 Answer any 2 of the following. (20)**

- 1) Explain the objectives of the taxation.
- 2) How do elasticity's of demand and supply affect the incidence of taxation?
- 3) Write a note on taxation is ant- inflationary measure.

**Q.4 Answer any 2 of the following. (20)**

- 1) Explain the effects of public expenditure.
- 2) Examine the causes for increasing public expenditure.
- 3) Write a note on public debt- management.

**Q.5 Answer any 2 of the following. (20)**

- 1) What are the objectives of fiscal policy?
- 2) State the features of functional finance.
- 3) Explain the features of FRBM Act, 2003.

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