

2015

(3rd Semester)

ECONOMICS

(Honours)

Paper No. : ECO-302

(Public Finance and Banking)

Full Marks : 70

Pass Marks : 45%

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*

1. Define fiscal policy and discuss the role of fiscal policy in a developing country like India. 4+10=14

Or

Examine the principle of monetary policy of public finance. 14

2. Discuss the effects of public debt on consumption, production, distribution and the level of economic activity in a developing country like India. 14

Or

Discuss the effects of public expenditure on production, distribution, consumption, economic stability and growth. 14

3. Explain Adam Smith's canons of taxation. What additions have been made to these canons in recent years? 10+4=14

Or

What is meant by public revenue? Explain briefly the main sources of public revenue. 4+10=14

4. What do you mean by federal finance? Discuss the allocation of resources between the Centre and the States. 4+10=14

Or

State the functions of Finance Commission. Discuss the recommendations of the 14th (2015-2020) Finance Commission. 4+10=14

5. Examine the bank rate and the open market operations as methods of credit control. 14

Or

State the various functions of a commercial bank. Explain briefly the process of credit creation by commercial banks and its limitations. 4+10=14
