

Date:

Registration number:

ST. JOSEPH’S COLLEGE (AUTONOMOUS), BENGALURU-27

B.Sc. Economics –SEMESTER VI

SEMESTER EXAMINATION: JULY 2022

**ECS DE 6318 - Public Economics**

Time- 2 ½ hrs Max Marks-70

This question paper contains ONE printed page and THREE parts

**PART A**

**Answer any TEN of the following 3 X10=30**

1. What is public economics?
2. State briefly the scope of public economics.
3. Give the meaning of the term market failure. What are the sources of market failure?
4. Differentiate between public goods and private goods with appropriate example.
5. What is tragedy of commons?
6. Define Herfindahl Index.
7. What is natural monopoly? State one factor that causes natural monopoly.
8. State the canons of taxation.
9. Differentiate between direct and indirect tax.
10. State one merit and one demerit of direct tax.
11. What is Wagner’s Law? When was it formulated?
12. State the Peacock-Wiseman hypothesis.

**PART B**

**Answer any TWO of the following 5 x 2 =10**

1. Explain the role of government in an economy.
2. What is externality? Discuss one method to address the problem of externality.
3. Discuss the effects of public debt on an economy.

**PART C**

**Answer any TWO of the following 15x 2 = 30**

1. Critically examine the ability to pay principle of taxation.
2. Write a note on optimal provision of public good.
3. What is goods and services tax? Discuss its merits and demerits.