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( 3rd Semester )

**ECONOMICS**

( Honours )

Paper No. : ECO-302

**( Public Finance )**

( Old Course )

*Full Marks : 70*

*Pass Marks : 45%*

*Time : 3 hours*

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

1. What is public finance? Explain the scope of public finance. 4+10=14

*Or*

Explain the objectives and limitations of monetary policy. 7+7=14

2. What are the causes of public borrowing? Explain the effect of public borrowing in an economy. 6+8=14

*Or*

What is deficit financing? Explain the causes and effects of public expenditure. 2+12=14

3. What are direct and indirect tax? Explain the canons of taxation. 4+10=14

*Or*

Describe the various sources of public revenue. How is public revenue important in economic development? 8+6=14

4. What are the main sources of revenue and expenditure of the State Government? 7+7=14

*Or*

Explain the role of Finance Commission of India. 14

5. Define commercial banks. Explain the process of credit creation by commercial banks and its limitations. 2+12=14

*Or*

What were the objectives of the nationalization of commercial banks in India? How far has these objectives been achieved? 6+8=14

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