

Sessional Examination 2024
5th Semester (Honours) DSE

Major- ECO- HE- 5036

Public Finance

Total Marks- 30

1. Answer the following (Any five) 2×5=10
 - a) Define free rider problem.
 - b) What do you mean by externalities?
 - c) Write two characteristics of public good.
 - d) What is impact and incidence of tax?
 - e) Mention any two differences between direct and indirect tax.
 - f) What do you mean by allocation function of public finance?

2. Answer the following (Any Two) 10×2=20
 - a) Explain how externalities can lead to market failure in case of public goods.
 - b) Briefly explain the principle of equal absolute sacrifice of taxation.
 - c) Explain the instruments of fiscal policy to stabilize the economy.
