



ST. FRANCIS DE SALES COLLEGE

A FRANSALIAN INSTITUTE OF HIGHER EDUCATION **AUTONOMOUS**

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Electronics City P.O, Bengaluru - 560 100, Karnataka, INDIA ☎ (+91) 8088140679 ☐ pro@sfscollege.in ☐ www.sfscollege.in

END SEMESTER EXAMINATION – AUGUST 2025 ECONOMICS - II SEMESTER MA 24PMA26 – INDIAN PUBLIC FINANCE

Time: 3 Hours

Max. Marks: 70

Instruction: Answer should be written completely in English

SECTION – A

Answer any TWO questions. Each question carries FIVE marks. (2x5=10)

1. Write the objectives of fiscal policy
2. How do direct taxes help both fairness and economic growth?
3. What is the difference between Capital Receipts and Revenue Receipts? Give one example of each.
4. Explain how tax sharing, grants, and borrowing help Indian states remain independent and financially stable.

SECTION - B

Answer any THREE questions. Each question carries TEN marks. (3x10=30)

5. Evaluate how effective Keynesian fiscal policy is in solving today's economic problems compared to Classical and Neo-Classical views.
6. Define Direct Tax. Differentiate between Direct and Indirect Taxes with suitable examples.
7. Explain the objective of Karnataka's 2024–25 Budget and mention two major welfare schemes introduced.
8. Analyze the relevance of Equity and Elasticity principles in Indian Federal Finance.
9. Evaluate the structure and features of GST and its differences from the earlier indirect tax system in India



SECTION -C

Answer any TWO questions. Each question carries FIFTEEN marks. (2x15=30)

10. Explain how the Government of India Act, 1935 laid the constitutional foundation for fiscal federalism in India.
11. Explain the key differences between direct and indirect taxes in India with examples.
12. Critically evaluate the role of post-independence tax reform committees in transforming India's fiscal framework with reference to equity, efficiency, and revenue mobilization
13. Evaluate the criteria for transfer of financial resources between Centre and State in India.

