**Punjab University**

**PUBLIC SECTOR ECONOMICS**

**PAPER-VI (New Course)**

**2006**

***Time Allowed: 3 Hours                                                                 Maximum Marks: 100***

*Attempt any four questions. All questions carry equal marks.*

1. (a) What is meant be Public sector resource allocation?

(b) Give arguments in favor of and against public sector resource allocation.

2. (a) Define income elasticity of public revenues.

(b) Bring out clearly the difference between Tax neutrality and Fiscal neutrality.

3. (a) What is meant by tax shifting?

(b) Discuss three major determents at tax shifting.

4. (a) Discuss “Peacock-Wiseman” thesis on “public expenditure growth”.

(b) How “Peacock-Wisemen” thesis is different from “Wagner hypothesis”?

5. (a) Explain the salient features of “Tax-structures” in less-developed countries.

(b) How far it meets the basic requirement8 of a good taxation system

6. (a) Explain the characteristics of inter governmental relations in developing countries like Pakistan.

(b) Highlight the importance of these relations.

7. (a) Attempt an appraisal of the concept of Market Failure.

(b) Relate it to the case for state intervention in the market.

**2007**

1. (a) Explain the concepts of Progressive, Regressive and Proportional taxes.

(b) Discuss the merits and demerits of Progressive and Proportional taxes.

(c) Which type of taxes is regressive in nature?

2. (a) What are the various determinants of tax shifting under partial equilibrium condition?

(b) Discuss the impacts of “Tax Shifting” on prices.

3. (a) Describe the components of ‘Public Expenditure’ in Pakistan.

(b) Critically evaluate the expenditure policy of government of Pakistan.

4. (a) Briefly explain the external debt problem of Pakistan.

(b) Critically evaluate the Ricardian view of public debt.

5. (a) Critically evaluate the Taxation Structure of Pakistan.

(b) Discuss and suggest various measures to improve the taxation system of Pakistan.

6. (a) Differentiate between public and private goods.

(b) Briefly explain the ‘Free Rider Problem”

(c) Explain the concepts of Semi-Public and Merit Goods.

7. Write notes on any two of the following:

(a) Zero -based budget

(b) Cannons of taxation

(c) Income elasticity of government expenditures.

**2008**

1. (a) How a government can influence Income distribution and resource allocation in an economy?

(b) Briefly discuss the issue of public goods pricing.

2. (a) What is meant by “Fiscal Neutrality’?

(b) Compare the traditional concept of “Tax Neutrality” with the expanded principle of “FisalNeutrality”.

3. Analyze the main structure and system of taxation, in the light of various cannons of taxation.

4. (a) Discuss the determinants of tax shifting under partial equilibrium analysis.

(b) Briefly discuss the impact of tax shifting on general price level.

5. (a) Critically evaluate the “Peacock-Wisemen” thesis of public expenditure growth.

(b) Compare “Peacock-Wisemen” thesis with “Wanger’s Law”.

6. (a) What is meant by “Provincial fiscal co-ordination”? Discuss with reference to Pakistan.

(b) Briefly discuss the volume of deficit financing and negative impacts on the economy of Pakistan.

7. Write notes on any two of the following:

(a) Budget Cycle in Pakistan.

(b) Fiscal non-neutrality.

(c) Ricardian view of public debt.