

CONSTITUTION OF INDIA AND
PUBLIC FINANCE

(**WITHOUT BOOKS**)

Paper—IV

Full Marks : 150

Time : 3 hours

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

Answer *any ten* questions

1. Explain the role and responsibility of the Finance Commission of India established under Article 280 of the Indian Constitution. 15
2. Discuss about the provisions laid down in the Constitution of India for ensuring free flow of trade, commerce and dealings between one State and another and between any two points within the territory of India. Can any restriction be imposed by the Central and the State Government in this regard? 12+3=15
3. What are the differences between revenue receipts and capital receipts? Discuss the different sources of revenue and capital receipts. 5+10=15

4. What are the distinctions between direct taxes and indirect taxes? Discuss the different types of direct and indirect taxes in India. 5+10=15
5. What is GST? What is the rationale behind implementation of GST in India? What are the Central and State taxes which have been subsumed in GST and excluded from GST? Write a brief note on the GST Council. 1+5+4+5=15
6. What is meant by public expenditure? What are productive and unproductive expenditures? What are the main factors that led to rapid growth of public expenditure in India? 2+5+8=15
7. What is public debt? Why do governments resort to borrowing instead of raising the needed revenue through taxation? 3+12=15
8. Write short notes on any *three* of the following : 5×3=15
- (a) Annual Financial Statement
 - (b) Consolidated Fund, Contingency Fund and Public Account
 - (c) Outcome Budgeting
 - (d) Zero-based Budgeting

9. Examine the challenges faced by governments in managing public debt. Suggest measures to ensure sustainable debt management. 7+8=15
10. What is the FRBM Act, 2003? What are its objectives? Discuss the role of fiscal policy in a country like India. 2+5+8=15
11. "Budget is a mirror of an economy." Explain the statement. 15
12. What are the impact, incidence and effects of a tax? Explain how the incidence of a tax is shifted. 7+8=15
