

[2]

Ex/PG/ECO-308/2023

MASTER OF ARTS EXAMINATION, 2023

(2nd Year, 1st Semester)

ECONOMICS

[PUBLIC ECONOMICS I]

Time : Two Hours

Full Marks : 30

Answer any *three* questions.

3. What do you mean by fiscal federalism? Why should there be more than one level of government? How can you link Tiebout's hypothesis to this situation? $2+4+4=10$
4. Define first and second welfare theorem. Derive the Pareto efficiency condition in the presence of one public good and one private good. What is free riding problem? Discuss the personalised pricing mechanism in determining optimum public good provision. $2+3.5+2+2.5=10$

1. In a partial equilibrium framework discuss the role of demand and supply elasticities in explaining the incidence of unit tax.
2. Consider five people with preference rankings over four projects a,b,c and d as follows :

Person 1	Person 2	Person 3	Person 4	Person 5
b	a	c	a	d
c	d	b	c	b
d	c	d	b	c
a	b	a	d	a

- (i) Draw the preferences by ranking the projects in alphabetical order from left to right.
- (ii) Who has single peaked preferences and who has not?
- (iii) Which project will be selected by majority voting? If none is selected, explain why. $(2.5+2.5)+5=10$

[Turn over