



THE ANSWERS MUST BE ATTEMPTED ON THE ANSWER SHEET PROVIDED

Q.1. Write short answers to the following questions. (6x5=30)

- i. What is value added tax?**
- ii. Should developing countries borrow? Why or why not?**
- iii. Compare different types of deficit financing. Which one is comparatively better?**
- iv. What is Fiscal Federalism?**
- v. What are private goods? Give examples.**
- vi. How can we overcome budget deficits? Explain any two measures.**

Q.2. Write detailed answers to the following questions. (3x10=30)

- a. What are different types of tax systems? Which one is better in your opinion?**
- b. Explain the Ricardian Equivalence Theorem with its assumptions and limitations.**
- c. What is a balance budget multiplier? Use examples to explain your answer.**