

2023

M.A. 2nd Semester Examination**ECONOMICS****Paper – ECO- 205****(Special Exam)****Public Economics and Corporate Finance***Full Marks: 40**Time : 2 Hours**The Figures in the right-hand margin indicate full marks.**Candidates are required to give their answers in their own words as far as practicable.**Illustrate the answers wherever necessary.***Group A****1. Answer any two questions from the following: (2×2=4)**

- Define fiscal deficit.
- What is the capital account of the government budget?
- What do you mean by revenue surplus?
- Define public good.

2. Answer any two questions from the following: (4×2=8)

- Explain the concept of club good. Give examples.
- What are the advantages of fiscal federalism?
- What are the burdens of public debt?
- Show the effect of an unconditional grant on the society's equilibrium consumption of the public good.

3. Answer any one question from the following: (8×1=8)

- a) Explain the concepts of crowding-in and crowding-out effects of government expenditure in the IS-LM framework. (4+4)
- b) What do you mean by debt sustainability of public debt? In this context discuss any one sustainability approach. (3+5)

Group B

4. Answer any two questions from the following: (2×2=4)

- (a) What is Portfolio management?
- (b) Name the two components of total risk of a security.
- (c) Distinguish between share and debenture.
- (b) Distinguish between primary market and secondary market.

5. Answer any two questions from the following: (4×2=8)

- (a) Write about the different phases of portfolio management.
- (b) What is capital market line and security market line?
- (c) Explain liquidity ratio of company.
- (b) How can you assess the profitability of a company?

6. Answer any one question from the following: (8×1=8)

- a) How do you measure risk of a portfolio? Explain diagrammatically how diversification of portfolio reduces risk? (2-6)
- b) Discuss the different components of balance sheet of a company.