

**ALLAMA IQBAL OPEN UNIVERSITY, ISLAMABAD**  
*(Department of Economics)*

**WARNING**

1. **PLAGIARISM OR HIRING OF GHOST WRITER(S) FOR SOLVING THE ASSIGNMENT(S) WILL DEBAR THE STUDENT FROM AWARD OF DEGREE/CERTIFICATE, IF FOUND AT ANY STAGE.**
2. **SUBMITTING ASSIGNMENTS BORROWED OR STOLEN FROM OTHER(S) AS ONE'S OWN WILL BE PENALIZED AS DEFINED IN "AIOU PLAGIARISM POLICY".**

**Course: Public Finance and Fiscal Policy (808)**  
**Level: M. Sc. Economics**  
**Credit Hours: 03**

**Semester: Autumn, 2012**  
**Total Marks: 100**  
**Pass Marks: 40**

**ASSIGNMENT No. 1**  
**(Units 1–5)**

- Q. 1 Explain in detail the concept of Public Goods, Private Goods and Merit Goods?(20)
- Q. 2 Diagrammatically explain the concept of Pareto optimality. (20)
- Q. 3 Explain various measures of benefits and costs of projects. (20)
- Q. 4 What is the excess burden and efficiency cost of government taxation in general equilibrium framework? (20)
- Q. 5 How inflation harms a tax-payer? What remedial measures can be adopted to save tax-payer from negative effects of inflation? (20)

**ASSIGNMENT No. 2**

**Total Marks: 100**

**(Units 6–9)**

**Pass Marks: 40**

- Q. 1 Define marginal, average and effective tax rates. How is a given tax rate categorized as progressive or regressive. (20)
- Q. 2 Explain in detail the concept of Phillip's curve? (20)
- Q. 3 What is fiscal policy? Discuss its objectives and instruments in details? (20)
- Q. 4 How the problems of measurement and compensation of externalities are resolved? (20)
- Q. 5 Explain in detail the taxation structure of Pakistan? (20)