### 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”.

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**Course:** Public Finance and Fiscal Policy (808)  
**Semester:** Autumn, 2012  
**Level:** M. Sc. Economics  
**Total Marks:** 100  
**Credit Hours:** 03  
**Pass Marks:** 40

#### ASSIGNMENT No. 1

(Units 1–5)

1. **Q. 1** Explain in detail the concept of Public Goods, Private Goods and Merit Goods? *(20)*
2. **Q. 2** Diagrammatically explain the concept of Pareto optimality. *(20)*
3. **Q. 3** Explain various measures of benefits and costs of projects. *(20)*
4. **Q. 4** What is the excess burden and efficiency cost of government taxation in general equilibrium framework? *(20)*
5. **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

(Units 6–9)

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