

VIDYA BHAWAN BALIKA VIDYA PITH

शक्ति उत्थान आश्रम लखीसराय बिहार

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Government Budget and the Economy

Question 1.

A deficit budget is that in which total expenditure is _____ total receipts.

Answer

Answer: greater than

Question 2.

Revenue deficit is that in which revenue receipts are _____ revenue expenditure.

Answer

Answer: less than

Question 3.

_____ tax is that in which the final burden of the tax fall on the person who pays it.

Answer

Answer: Direct

Question 4.

Tax is a legally compulsory payment imposed by the _____ on income and property of persons and companies.

Answer

Answer: Government

Question 5.

Recovery of loan is treated as capital receipt because it leads to _____

Answer

Answer: reduction of assets

Question 6.

Primary Deficit = Fiscal Deficit minus _____

Answer

Answer: Interest on Debt

Question 7.

_____ are levied on goods and services.

Answer

Answer: Indirect taxes

Question 8.

_____ does not have any impact on the asset-liability status of the government.

[Answer](#)

Answer: Revenue budget

Question 9.

The government can influence the allocation of resources through the implementation of appropriate _____

[Answer](#)

Answer: fiscal policy

Question 10.

_____ is a document containing income and expenditure of the government.

[Answer](#)

Answer: Budget

Question 11.

Income tax is _____ tax.

[Answer](#)

Answer: Direct

Question 12.

_____ tax is levied on the value of the goods.

[Answer](#)

Answer: Advalorem

Question 13.

Service tax is levied by the _____

[Answer](#)

Answer: Central

Question 14.

_____ budget is considered good for the country.

[Answer](#)

Answer: Deficit

Question 15.

Finance bill contains _____ proposals.

[Answer](#)

Answer: Tax

Question 16.

Government budget is presented on the last day of _____

[Answer](#)

Answer: February

[State true or false :](#)

Question 1.

Public goods are collectively consumed.

[Answer](#)

Answer: True

Question 2.

There is a feasible way of excluding anyone from enjoying the benefits of public goods.

[Answer](#)

Answer: False

Question 3.

The three functions of allocation, redistribution, and stabilization are operated through the expenditure and receipts of the government.

[Answer](#)

Answer: True

Question 4.

The deficit decreases in a recession and increases in a boom, even without any change in fiscal policy.

[Answer](#)

Answer: False

Question 5.

Indirect taxes are not convenient to realise.

[Answer](#)

Answer: False

Question 6.

Payment of salaries to the government employees is a capital payment.

[Answer](#)

Answer: FFals

Question 7.

Expenditure made on the establishment of the metro rail line in Delhi is a capital expenditure.

[Answer](#)

Answer: True

Question 8.

Public borrowing is a capital receipt.

[Answer](#)

Answer: True

Question 9.

Recovery of loan is a revenue receipt.

[Answer](#)

Answer: False

Question 10.

Service tax is a direct tax.

[Answer](#)

Answer: False

Question 11.

Grants by the government are treated as revenue expenditure.

[Answer](#)

Answer: True

Question 12.

Excess of capital expenditure over capital receipt is called revenue deficit.

[Answer](#)

Answer: False

Question 13.

A deficit budget is not considered a good budget.

[Answer](#)

Answer: False

Question 14.

Electricity tax is levied by the State Government.

[Answer](#)

Answer: True

Question 15.

The budget speech is given by the Finance Minister.

[Answer](#)

Answer: True

Question 16.

Central excise duty is a direct tax.

[Answer](#)

Answer: False

Question 17.

The interest payment is a planned item.

[Answer](#)

Answer: False

Question 18.

During deflation surplus budget is made.

[Answer](#)

Answer: True

Question 19.

The rail budget is generally not included in the annual budget.

[Answer](#)

Answer: True