VIDYA BHAWAN BALIKA VIDYA PITH

शक्तिउत्थानआश्रमलखीसरायबिहार

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Teacher name – Ajay Kumar Sharma

Revision Notes

Words that Matter

1. Government Budget: A government budget is an annual financial statement showing itemwise estimates of expected revenue and anticipated expenditure during a fiscal year.
2. Balanced Budget: If the government revenue is just equal to the government expenditure made by the general government, then it is known as balanced budget.
3. Unbalanced budget: If the government expenditure is either more or less than a government receipts, the budget is known as Unbalanced budget.
4. Surplus Budget: If the revenue received by the general government is more in comparison to expenditure, it is known as surplus budget.
5. Deficit Budget: If the expenditure made by the general government is more than the revenue received, then it is known as deficit budget.
6. Budget receipt: It refers to the estimated receipts of the government from various sources during a fiscal year.
7. Budget expenditure: It refers to the estimated expenditure of the government on its "development and non-development programmes or "plan and non-plan programmes during the fiscal year.
8. Revenue Budget: Revenue Budget contains both types of the revenue receipts of the government, i.e., Tax revenue and Non tax revenue ; and the Revenue expenditure.
9. Revenue Receipts: Government receipts, which
(a) Neither create any liabilities for the government; and
(b) Nor cause any reduction in assets of the government, are called revenue receipts.
10. Tax Revenue: Tax revenue refers to receipts from all kinds of taxes such as income tax, corporate tax, excise duty etc.
11. Tax: A tax is a legally compulsory payment imposed by the government on income and profit of persons and companies without reference to any benefit.
12. Non-tax revenue: It refers to government revenue from all sources other than taxes called non-tax revenue.
13. Revenue Expenditure: An expenditure that (a) Neither creates any assets (b) nor causes any reduction of liability.
14. Capital Budget: Capital budget contains capital receipts and capital expenditure of the government.
15. Capital Receipts: Government receipts that either creates liabilities (of payment of loan) or reduce assets (on disinvestment) are called capital receipts.
16. Capital Expenditure: Government expenditure of the government which either creates physical or financial assets or reduction of its liability.
17. Direct Tax: When (a) liability to pay a tax (Impact of Tax), and (b) the burden of that tax (Incidence of tax), falls on the same person, it is termed as direct tax.
18. Indirect Tax: When (a) liability to pay a tax (Impact of tax) is on one person; and (b) the burden of that tax (Incidence of tax), falls on the other person, it is termed as indirect tax.
19. Progressive Tax: A tax the rate of which increases with the increase in income and decreases with the fall in income is called a progressive tax.
20. Proportional Taxation: A tax is called proportional when the rate of taxation remains constant as

the income of the taxpayer increases.
21. Regressive Tax: In a regressive tax system, the rate of tax falls as the tax base increases.
22. Plan expenditure: It refers to that expenditure which is incurred by the government to fulfill its planned development programmes.
23. Non-Plan Expenditure: This refers to all such government expenditures which are beyond the scope of its planned development programmes.
24. Developmental Expenditure: Developmental expenditure is the expenditure on activities which are directly related to economic and social development of the country.
25. Non-developmental expenditure: Non-developmental expenditure of the government is the expenditure on the essential general services of the government.
26. Budgetary deficit: It refers to the excess of total budgeted expenditure (both revenue expenditure and capital expenditure) over total budgetary receipts (both revenue receipt and capital receipt).
27. Revenue Deficit: Revenue deficit refers to the excess of revenue expenditure of the government over its revenue receipts.
28. Fiscal deficit: It is defined as excess of total expenditure over total receipts (revenue and capital receipts) excluding borrowing. Fiscal deficit indicates capacity of a country to borrow in relation to what it produces. In other words, it shows the extent of government dependence on borrowing to meet its budget expenditure.
29. Debt Trap: A vicious circle set wherein the government takes more loans to repay earlier loans, which is called Debt Trap.
30. Primary deficit: It is defined as fiscal deficit minus interest payments.