

**Questions Bank**  
**B.A Second Year (Semester IV)**  
**Economics**  
**Paper 107 – Public Finance**

**Unit I**

1. What are the principles of taxation:  
Answer- Principle of equality and Principle of certainty
2. Which of the following tax is the best example of the ability to pay principle of taxes?  
Answer- Personal income tax
3. Govt. taxing and spending policies are called  
Answer- Fiscal policy
4. Govt. budget is balanced when  
Answer- Government expenditure equals tax revenue
5. A direct tax is that which  
Answer- Is paid by the person on whom it is levied
6. Taxes are levied to  
Answer- Provide general benefits for the people
7. Whom of the following propounded principles of taxation  
Answer- Adam Smith

**Unit II:**

1. Taxes on commodities are  
Answer- Indirect taxes
2. Govt. prepares its budget  
Answer- Annually
3. One of the following is NOT a feature of private finance  
Answer- Publicity
4. One of the following is NOT a feature of private finance  
Answer- Secrecy
5. These are heads of expenditure of the government EXCEPT?  
Answer- Provide cosmetics
6. The most important source of income of a government is  
Answer- Taxes
7. Progressive taxes  
Answer- Increase government revenue

8 Which tax better conforms to the principle of equality in taxation  
Answer- Progressive tax

9 Which one is not a principle of taxation?  
Answer- Principle of morality

### **Unit III:**

1 Which source a private company cannot use?  
Answer- Deficit finance

2 When expenditure exceeds total tax revenue, it is called:  
Answer- **Deficit Budget**

3 Which of the following is not a fiscal instrument?  
Answer- **open market operations**

4 Who suggested an expenditure tax as an alternative to income tax?  
Answer- **Kaldor**

5 Which one of the following is not an instrument of fiscal policy?  
Answer- **Cash Reserve Ratio**

6 The controlling authority of Government expenditure is:  
Answer- **Ministry of Finance**

Wiseman-Peacock hypotheses support in a much stronger manner the possibility of:  
7 Answer- **an upward trend in public expenditure**

8 The largest owners of the U.S. public debt are  
Answer- federal agencies and trust funds

9 A potential problem with the accumulation of a public debt that results from running deficit budgets each year is that  
Answer- a high interest rate may have to be paid by government, which crowds out private investment

10 Pavan Kumar Bansal represents, which of the following Constituencies?  
Answer- Chandigarh

Which of the following state has been bought into the railway net work for the first  
11 Answer- Arunachal Pradesh

12 According to Railway Budget Freight earning to go by?  
Answer- %

13 Which of the following is true?  
Answer- Steep increase in input costs have been met with hike in Freight rates

Railway Minister has said that a special luxury coach, with the best of amenities, will run, in selected trains and named it as?  
14 Answer- Anubhuti

15 The amount allocated by Planning commission (budgetary support to Railways)?  
Answer- . lakhs

16 The Rail Neer Bottling plants would be set up in

Answer-Indian Railways is the world's ninth largest commercial or utility employer

- 17 The Rail Neer Bottling plants would be set up in  
Answer-? Ahmedabad, Jaipur, Vijayawada, Nagpur, Lalitpur, Bilaspur
- 18 Which of the following is/are true as per new Railway Budget?  
Answer-Year hike of % of charges proposed for years
- 19 How much percentage of RPF vacancies reserved for women?  
Answer- %
- 20 How much is allocated for Nirbhaya fund?  
Answer- Rs crore

## **Unit iv**

- 1 How many private radio FM stations will be covered in this financial year?  
Answer-
- 2 The first Independent India's budget was presented by?  
Answer-Shankumham chetty
- Income limit for tax saving Rajiv Gandhi Equity Savings scheme is raised to Rs
- 3 lakh from?  
Answer-Rs lakh
- 4 How much amount is allocated for Drinking water and Sanitation?  
Answer- Rs , crore
- 5 In which of the following place an Institute for agricultural Biotechnology will be set up?  
Answer-Ranchi
- 6 As per survey report, which of the following sector amounted for the largest?  
Answer- Education
- 7 Who among the following is the Chief advisor to the Finance Minister?  
Answer-Raghuram Rajan

**MCQ's**  
**B.A Second Year (Semester IV)**  
**Economics**  
**Paper 108 – Statistical Methods**

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Fill in the blanks.

- 1) Statistics is defined by A.L. Bowley as \_\_\_\_\_ statement of facts  
(Numerical)
- 2) Primary data is \_\_\_\_\_ (Original)
- 3) Secondary data is \_\_\_\_\_ hand (Second)
- 4) Median is \_\_\_\_\_ average (Positional)
- 5) Mode is defined as the value of \_\_\_\_\_ frequency (Maximum)
- 6)  $X = A + \frac{\sum fx}{n}$
- 7) Median =  $\frac{n+1}{?}$  item. 2th.
- 8) Decile is the value of \_\_\_\_\_ items in the series (10)
- 9) Percentile is the value of \_\_\_\_\_ item (100)
- 10) Formula of index number given by fisher is called \_\_\_\_\_ index number (Ideal)
- 11) \_\_\_\_\_ is the most popular and widely used measure of dispersion (Std deviation)
- 12) When the data is presented by the pictures it is called \_\_\_\_\_ (Pictozrians)
- 13) When the frequency distribution can be represented on graph it is called \_\_\_\_\_ (Historian)
- 14) A cumulative frequency curve is also known as \_\_\_\_\_ (Gives)
- 15) The process of grouping a large number of individual factor observations on the basis of similarity among the item is called \_\_\_\_\_ (Classification)
- 16) Published data is included in \_\_\_\_\_ data (Secondary)
- 17) Questionnaire and interviews are methods of collecting \_\_\_\_\_ data.
- 18) The index number for base year is always (100)