

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

Unit I

- 1 hose are principles of taxation:
Answer Principle of equality and Principle of certainty
- 2 Which of the following tax is best example of 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 axes 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 ne of the following is NOT a feature of private finance
Answer- Secrecy
- 5 hese are heads of expenditure of the government EXCEPT?
Answer- Provide cosmetics
- 6 he 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**

7 Wiseman-Peacock hypotheses support in a much stronger manner the possibility of:
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

11 Which of the following state has been bought into the railway net work for the first
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

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