

## Principles of Economics (English Medium) - ICOM Part 1 Economics English Medium Chapter 15 Short Questions Preparation

Q1. What is budget ?
Ans 1: The annual estimate of government income and expenditures is known as budget.
Q2. What is direct tax?
Ans 1: Direct taxes are those that are directly imposed upon individual or the burden of such kind of taxes cannot be shifted to other person. Income tax, wealth tax and property tax are the examples of direct tax.
Q3. What is surplus budget ?
Ans 1: When government income is higher than expenditures, it s known as surplus budget.
Q4. Define usher.
<b>Ans 1:</b> Usher is a kind of zakat which is imposed an agricultural products. Ten percent of agricultural production of the land which is irrigated by natural sources paid as zakat while five percent zakat is paid on agricultural products produce of the land which is irrigated by artificial sources.
Q5. Write four differences between public finance and private finance.
Ans 1: 1. Adjustment of income and expenditures
<ul><li>2. Budget time period.</li><li>3. Keeping of records.</li></ul>
4. Nature of budget.
Q6. What is balance budget ?
Ans 1: When government income is in level with expenditures, it is known as balance budget.
Q7. Write four heads of public expenditures.
Ans 1: 1. Defence expenditures. 2. Police expenditures.

3. Courts expenditures.4. Civil expenditures.

## Q8. List down importance of zakat.

Ans 1: 1. Fair distribution of wealth.

- 2. Increase in circulation of wealth.
- 3. Healthy growth of the society.
- 4. Removal of poverty.
- 5. Removal of hoarding.

## Q9. What is meant by income tax?

**Ans 1:** Income tax is imposed on the whole income of the people of country who they earn during one year form legal sources.

## Q10. Define tax.

Ans 1: "Tax is compulsory contribution by the people to the public treasury to meet the general expenditures of the government."