

Economics - ICom Part 2 Principles of Economics Chapter 4 Short Questions Preparation

1. Wha	t are different kinds of taxes.
Ans 1:	1- Direct Tax 2- Indirect Tax 3- Proportional tax
Ans 2:	4- Progressive tax
Ans 3:	5- Regressive tax 6- Value added tax
Q2. Wha	t is meant by Proportional tax.
Ans 1:	A tax in which the rate of tax remains the same on every level of income is called proportional tax.
Q3. Wha	t is Revenue Budget.
Ans 1:	The revenue budget is a budget in which revenue collected from different kinds of taxes is shown.
Q4. Wha	t is meant by Deficit budget.
Ans 1:	When the revenues of the government are less thanits expenditures thenit is called, deficit budget.
Q5. Write	e four sources of tax revenue of the government.
Ans 1:	1- Custom duty 2- Excise duty 3- Income tax and corporate tax
Ans 2:	4- Sales tax.
Q6. Wha	t is meant by indirect tax.
Ans 1:	Indirect tax means the tax which is not paid from the pocket on when it is levied, Rather the burden of the tax is shifted to person. For example sale tax custome duty and excise duty etc.

Ans 1: Fee is the reward of the government's services from which the people are benefited, while the tax payer can not demand for

direct personal benefit from the government in return for payment of tax.

Ans 1: 1- Balane between income and expenditure.
Ans 2: 2- Maximum utlization of scarece means.
Ans 3: 3- Need of loans. 4- Increase in income trough investment.
Q9. What is meant by Public Finance.
Ans 1: Public Finance is that branch of economics, which deals with the revenue and expenditures of the government . it studies the resources of government's revenue adn its expenditures.
Q10. What are kinds of public expenditures.
Ans 1: 1- Development of expnditures 2- Non development expnditues.

Q8. Write four points of similarities between public finance and private finance.