

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

Q1. Write four sources of non tax revenue of the government.

Ans 1: 1- Fee 2- Price 3- Special assessment 4- Fines

Q2. What is meant by surplus budget.

Ans 1: When the revenue of the government is more than its expenditures, then it is called surplus budget.

Q3. What is meant by indirect tax.

Ans 1: Indirect tax means the tax which is not paid from the pocket when it is levied, rather the burden of the tax is shifted to another person. For example sale tax, customs duty and excise duty etc.

Q4. What is meant by Deficit budget.

Ans 1: When the revenues of the government are less than its expenditures then it is called deficit budget.

Q5. Define Public Finance in the words of Prof. Dalton.

Ans 1: Public Finance deals with government's revenue and expenditure and it studies how government maintains balance between its revenue and revenue and expenditure.

Q6. What is meant by progressive tax.

Ans 1: A tax in which rate of tax increases with the increase of level of income is called progressive tax. In Pakistan income tax is progressive tax.

Q7. Define Excise Duty.

Ans 1: The tax which is imposed on domestically manufactured goods is called Excise duty.

Q8. Difference between public finance and private finance.

Ans 1: The study of government's revenue, expenditure and their principles is called public finance. Whereas, the study of the nature of an individual's income, expenditure and their related principles is called private finance.

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 is Revenue Budget.

Ans 1: The revenue budget is a budget in which revenue collected from different kinds of taxes is shown.
