Economics - ICS Part 2 Economics English Medium Chapter 4 Online Short Questions Test

Q1. What 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 another person. For example sale tax custome duty and excise duty etc.

Q2. What is meant by surplus budget.

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

Q3. Define canon of taxation " canon of convenience" according to Prof. Adam smith.

Ans 1: According to Prof. Adam Smith tax should be levied on the time when the taxpayer can easily pary it. Therefore it is necessary that tax should be collected in installment and at the time when tax payers get their incomesor salaries.

Q4. Write four difference between public finance and private finance.

Ans 1: 1- Difference in Adjustment of income and expenditure.

Ans 2: 2- Difference in budget period.

Ans 3: 3- Private budget is kept secret while public budget is announced.

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. Define Public Finance in the word of Prof. Armitage Smith.

Ans 1: The study of nature of principles of government's expenditure and revenue is called Public Finance.

Q7. Define Excise Duty.

Ans 1: The tax which is impoed n domestically manufactured goods is called Excise duty.

Q8. What is meant by direct tax.

Ans 1: Direct tax means the tax which is paid from the pocket of the person on when it is levied. It means the incidence and impact of the tax is one the same person income tax, peoperty tax and wealth tax are the examples of this kind of tax.

Q9. What is meant by Regressive tax.

Ans 1: Regressive tax is opposite to progressive tax. The lower income level is the more rate of tax will be and the higher income level is the less rate of tax willbe it means the rate of tax ddecreases witht he increase in income and vice versa.

Q10. What are kinds of public expenditures.

Ans 1: 1- Developmentof expnditures 2- Non development expnditues.
