

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

Q1. 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.

Q2. Write four heads of public expenditure.

**Ans 1:** 1- Defence 2- Police 3- Civil administration 4- Courts.

Q3. What is meant by direct tax.

**Ans 1:** Direct tax means the tax which is paid from the pocket of the person on whom it is levied. It means the incidence and impact of the tax is on the same person. Income tax, property tax and wealth tax are the examples of this kind of tax.

Q4. 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.

Q5. What is meant by Balanced Budget.

**Ans 1:** When the revenues of the government are equal to its expenditures then it is called balanced budget.

Q6. Write four differences 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.

Q7. What is the difference between impact and incidence of tax.

**Ans 1:** Impact of tax means imposing of tax on a person by the government and collecting from him, while incidence of tax means the burden of tax. Because it is not necessary that if a tax is imposed on some person, the burden of tax will also fall on him.

Q8. 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.

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Q9. Write four main sources of public revenue.

**Ans 1:** 1- Taxes 2- Fee 3- Price 4- Special assessment

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Q10. What is Revenue Budget.

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

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