

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. What are kinds of public expenditures.

Ans 1: 1- Development of expenditures 2- Non development expenditures.

Q3. 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.

Q4. 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.

Q5. What is meant by Fee.

Ans 1: The government provides some direct services to the people and charges money in return for these services. It is called fee.

Q6. Write 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.

Q7. 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 will be. It means the rate of tax decreases with the increase in income and vice versa.

Q8. 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.

Q9. Different between Fee and Tax.

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.

Q10. Difference between public finance and private finance.

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