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## Chapter-05

### Budget

1.Expenditure, taxation and loan taking policies of government are called as-

- (A) Fiscal Policy
- (B) Monetary Policy
- (C) Bank Policy
- (D) Tax Policy

2.Fiscal policy is related to –

- (A) Monetary Policy
- (B) Banking System
- (C) Economic Progress Planning
- (D) Receiving and Expenditure of Govt.

3.Subsidy by government of India is given to–

- (A) Consumer Unit
- (B) Productive Unit
- (C) Banking Unit
- (D) Government Employee

4.For which fund can the unanticipated expenditure be met without the prior approval of the parliament?

- (A) Consolidated Fund of India
- (B) Contingency Fund of India
- (C) Vote on Account
- (D) From the Treasury

5.The Economic Survey of India is published by–

- (A) Statistical Department
- (B) CSO
- (C) Ministry of Finance
- (D) Department of Economic Affairs

6.The Maximum Part of revenue of Indian railway comes from.

- (A) Coaches
- (B) Transport of goods
- (C) Tickets

(D) Other sources

7.Disinvestment in Public Sector is called–

- (A) Liberalization
- (B) Globalization
- (C) Industrialization
- (D) Privatization

8.Which one of the following is a development expenditure?

- (A) Irrigation Expenditure
- (B) Civil Admini stration
- (C) Debt Services
- (D) Grant-in-Aid

9.Disinvestments is–

- (A) offloading of shares of privates companies to government
- (B) offloading of government shares to private companies
- (C) increase in investment
- (D) closing down of business concerns

10. Which one of the following is not an objective of Fiscal Policy in India?

- (A) Full Employment
- (B) Price Stability
- (C) Equitable distribution of wealth and incomes
- (D) Regulation of international trade

11.In the budget figures of the Government of India, interest payments, subsidies, pensions, social services and the like are parts of the–

- (A) Plan Expenditure
- (B) State Government Expend- iture
- (C) Public debt in the form of capital expenditure
- (D) Non-plan Expenditure

12. In the budget figures of the Government of India the difference between total expenditure and total receipts is called–

- (A) Fiscal Deficit





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- (B) Budget Deficit
- (C) Revenue Deficit
- (D) Current Deficit

13. In the budget figures of the Government of India, fiscal deficit is—

- (A) Total Expenditure - Total Receipts
- (B) Revenue Expenditure - Revenue Receipts
- (C) Capital Expenditure - Capital Receipts + Market Borrowings
- (D) Sum of budget deficit and government's market borrowings and liabilities

14. The single largest item of expenditure of the Central Government in India in recent years is—

- (A) Defence
- (B) Subsidies
- (C) Interest Payment
- (D) General services

15. In estimating the budgetary deficit, the official approach in India is to exclude—

- (A) long term borrowing from the market
- (B) borrowings from the reserve Bank of India
- (C) Drawing down of the cash balance
- (D) borrowing from reserve Bank in the form of ways and means advance

16. Fiscal policy is concerned with—

- (A) Public revenue
- (B) public expenditure and debt
- (C) Bank rate policy
- (D) both (1) and (2)

17. Social accounting system in India is classified into—

- (A) Income, product and expenditure
- (B) Enterprise households and government
- (C) Assets, liabilities and debt position
- (D) public sector, Private sector and Joint sector

18. Which of the following is not viewed as national debt?

- (A) Life Insurance Policies
- (B) Long-term Government Bonds
- (C) National Savings Certificates
- (D) Provident Fund

19. Beyond a certain point deficit financing will certainly lead to—

- (A) Inflation
- (B) deflation
- (C) recession
- (D) economic stagnation

20. In public budgets zero base budgeting was first introduced in—

- (A) USA
- (B) UK
- (C) France
- (D) Sweden

21. The sale proceeds of Government Bonds come under the budget head of—

- (A) Revenue Receipts
- (B) Current Expenditure
- (C) Capital Outlay
- (D) Capital Receipts

22. Which one of the following is not included in current revenue of the Union Government?

- (A) Tax revenue
- (B) Non-tax revenue
- (C) Loans
- (D) Interest payments

23. Which one is not the main objective of fiscal policy in India?

- (A) To increase liquidity in the economy
- (B) To promote price stability
- (C) To minimize the inequalities of income & wealth
- (D) To promote employment opportunity

24. The industry having the largest investment in Indian Economy is?







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- (A) Tea
- (B) Cement
- (C) Steel
- (D) Jute

25. What situation would result if Government expenditure exceeds the Government revenue on Current Account?

- (A) Deficit budgeting
- (B) Zero-based budgeting
- (C) Performance based budgeting
- (D) Surplus budgeting

26. 'Capital gains' refers to goods which-

- (A) serve as a source of raising further capital
- (B) help in the further production of goods
- (C) directly go into the satisfaction of human wants
- (D) find multiple uses

27. As per the 2016-17 Budget, the largest source of money to the Government of India is-

- (A) Income Tax
- (B) Corporation Tax
- (C) Non-tax revenues
- (D) Borrowings and other liabilities

28. The system of Budget was introduced in India during the Viceroyalty of -

- (A) Canning
- (B) Dalhousie
- (C) Ripon
- (D) Elgin

29. Who generally presents the Finance Budget in Indian Parliament?

- (A) RBI Governor
- (B) Budget Minister
- (C) Finance Minister
- (D) Finance Secretary

30. Which among the following does not count in the development expenditure of government?

- (A) Expenditure on economic service
- (B) Expenditure on social services
- (C) Grant to states
- (D) Defence expenditure

31. Calculate the economic profit for a firm if its total revenues are Rs. 35 crores, explicit costs are Rs. 7 crores, and implicit costs are Rs. 10 crores.

- (A) Rs. 32 crores
- (B) Rs. 52 crores
- (C) Rs. 18 crores
- (D) Rs. 38 crores

32. Which of the following is true if the Government monetized part of its deficit?

- (A) Money supply in the economy will increase.
- (B) Interest rate will increase.
- (C) Government revenue will decrease.
- (D) Government expenditure will increase.

33. Which sector has the highest number working in India?

- (A) Manufacturing
- (B) Agriculture
- (C) IT
- (D) Services

34. What is difference of Revenue expenditure and Revenue receipts called as?

- (A) Revenue
- (B) Total expenditure
- (C) Revenue Deficit
- (D) Total revenue

