

QB365 Question Bank Software Study Materials

Fiscal Economics 50 Important 1 Marks Questions With Answers (Book Back and Creative)

12th Standard

Economics

Total Marks : 50

Multiple Choice Question

50 x 1 = 50

- 1) The modern state is
(a) Laissez-faire state (b) Aristocratic state **(c) Welfare state** (d) Police state
- 2) One of the following is NOT a feature of private finance
(a) Balancing of income and expenditure (b) Secrecy (c) Saving some part of income **(d) Publicity**
- 3) The tax possesses the following characteristics
(a) Compulsory (b) No quid pro quo (c) Failure to pay is offence **(d) All the above**
- 4) Which of the following canons of taxation was not listed by Adam smith?
(a) Canon of equality (b) Canon of certainty (c) Canon of convenience **(d) Canon of simplicity**
- 5) Consider the following statements and identify the correct ones.
(i) Central government does not have exclusive power to impose tax which is not mentioned in state or concurrent list.
(ii) The Constitution also provides for transferring certain tax revenues from union list to states.
(a) i only **(b) ii only** (c) both (d) none
- 6) GST is equivalence of
(a) Sales tax (b) Corporation tax (c) Income tax (d) Local tax
- 7) The direct tax has the following merits except
(a) equity **(b) convenient** (c) certainty (d) civic consciousness
- 8) Which of the following is a direct tax?
(a) Excise duty **(b) Income tax** (c) Customs duty (d) Service tax
- 9) Which of the following is not a tax under Union list?
(a) Personal Income Tax (b) Corporation Tax **(c) Agricultural Income Tax** (d) Excise duty
- 10) "Revenue Receipts" of the Government do not include
(a) Interest (b) Profits and dividends (c) Recoveries and loans **(d) Rent from property**
- 11) The difference between revenue expenditure and revenue receipts is
(a) Revenue deficit (b) Fiscal deficit (c) Budget deficit (d) Primary deficit
- 12) The difference between total expenditure and total receipts including loans and other liabilities is called
(a) Fiscal deficit (b) Budget deficit (c) Primary deficit (d) Revenue deficit
- 13) The primary purpose of deficit financing is
(a) Economic development (b) Economic stability (c) Economic equality (d) Employment generation
- 14) Deficit Budget means
(a) An excess of government's revenue over expenditure

- (a) An excess of government's revenue over expenditure
 (b) An excess of government's current expenditure over its current revenue
(c) An excess of government's total expenditure over its total revenue (d) None of above
- 15) Methods of repayment of public debt is
 (a) Conversion (b) Sinking fund (c) Funded debt **(d) All these**
- 16) Conversion of public debt means exchange of
 (a) New bonds for the old ones **(b) Low interest bonds for higher interest bonds**
 (c) Long term bonds for short term bonds (d) All the above
- 17) The word budget has been derived from the French word "bougette" which means
(a) A small bag (b) An empty box (c) A box with papers (d) None of the above
- 18) Which one of the following deficits does not consider borrowing as a receipt?
 (a) Revenue deficit (b) Budgetary deficit **(c) Fiscal deficit** (d) Primary deficit
- 19) Finance Commission determines
 (a) The finances of Government of India **(b) The resources transfer to the states**
 (c) The resources transfer to the various departments (d) None of the above
- 20) Consider the following statements and identify the right ones.
 (i) The finance commission is appointed by the President
 (ii) The tenure of Finance commission is five years
 (a) i only (b) ii only **(c) both** (d) none
- 21) Unbalanced budget are of _____ types
 (a) 3 **(b) 2** (c) 4 (d) 5
- 22) The Indian government accounts are maintained in _____
(a) Three (b) Four (c) Five (d) Eight
- 23) Public finance has been newly termed as _____
 (a) Fiscal policy **(b) Fiscal economics** (c) Federal finance (d) None of these
- 24) The private sector aims to maximize _____
 (a) Benefit (b) Profit (c) welfare **(d) Both 'a' and 'b'**
- 25) Public revenue can be classified into _____
 (a) Two (b) Three **(c) Four** (d) Five
- 26) The term fiscal is derived from Greek word which means basket and symbolizes the.....?
(a) public purse (b) tax (c) fees (d) public revenue
- 27) Identify the odd one
 (a) Public Revenue **(b) Corporate Finance** (c) Federal Finance (d) Public Debt
- 28) During the past 67 years of planning, the population of India has increased from 36.1 crore in....., to 121 crore in.....?
(a) 1951 and 2011 (b) 1981 and 2011 (c) 1991 and 2018 (d) 1971 and 2001
- 29) A state's fine is a penalty imposed on an individual for.....?
(a) violation of law (b) social welfare (c) following duties (d) criminal offence
- 30) Which is not a component of GST

- (a) CGST (b) SGST **(c) GCST** (d) GCST
- 31) Find the meaning of following statement. "It involves fresh evaluation of expenditure in the Government budget, assuming it as a new item."
 (a) Lame duck budget (b) Vote on account budget (c) Unbalanced budget **(d) Zero-Base-Budgeting**
- 32) How do you measure Revenue Deficit?
 (a) When $RE + RR > 0$ **(b) When $RE - RR > 0$** (c) When $RE - RR < 0$ (d) When $RE - RR = 0$
- 33) Find the measure of Primary Deficit (PD)?
 (a) Fiscal Surplus (PS) - Interest Payment (IP) (b) Fiscal Surplus (PS) - Net Interest Payment (NIP)
 (c) Fiscal Deficit (PS) - Net Interest Payment (IP) **(d) Fiscal deficit (PD) - Interest Payment (IP)**
- 34) There are _____ enumerated in the Seventh Schedule of constitution.
 (a) two lists (b) five lists **(c) three lists** (d) 78 lists
- 35) Which of the following is not a Union Source?
 (a) Corporation tax **(b) Capitation tax** (c) Currency, coinage and legal tender, foreign exchange
 (d) Duties of customs including export duties
- 36) The 15th Finance Commission has been set up in November 2017 and its recommendations will be implemented starting.....?
(a) 1 April 2020 (b) 1 April 2021 (c) 1 April 2025 (d) 1 April 2031
- 37) Pick out the item which is not a part of non-tax revenue,
 (a) Interest Receipts **(b) Dividends** (c) Customs (d) Profits
- 38) Pick out the method which is not a part of redemption
 (a) Sinking Fund (b) Surplus Budget **(c) Terminal Annuities** (d) Refunding
- 39) Pick out the feature which is not true of a capital levy.
(a) For paying off unproductive debt. (b) It is paid by those who earn huge profits
 (c) It does not follow the principle of equity
- 40) **Assertion:** A poor person should pay more tax compared to a middle class person or a rich person.
Reason: The Government should impose tax in such a way that the people have to pay taxes according to their ability.
 (a) Both A and R are true and R is the correct explanation of A
(b) Both A and R are true but R is not the correct explanation of A (c) A is true but R is false
 (d) A is false but R is true
- 41) Who remarked, "Public finance is one of those subjects that lie on the border line between Economics and politics. It is concerned with income and expenditure of public authorities and with the adjustment of one to the other?"
 (a) Adam Smith **(b) Dalton** (c) Anatol Murad (d) Philip E. Taylor
- 42) Who remarked, "Tax is a compulsory payment made by a person to a government without reference to any benefit the payer may derive from the government?"
 (a) Adam Smith (b) Dalton **(c) Anatol Murad** (d) Philip E. Taylor
- 43) Who quoted "Public finance is an investigation into the nature and principles of the state revenue and expenditure"?
(a) Adam Smith (b) Dalton (c) Anatol Murad (d) Philip E. Taylor
- 44) Find out the non tax revenue
 (a) Surcharge (b) Income Tax (c) Cess **(d) Fees**

- 45) _____ deals with fundamental principles that govern government expenditure.
- (a) Public debt (b) Financial administration (c) **Public expenditure** (d) Public revenue
- 46) Increase in urbanisation requires heavy expenditure on _____.
- (a) Law and order (b) Education (c) Civic amenities (d) **All the above**
- 47) Which is a tax revenue?
- (a) Gift (b) **Cess** (c) Grants (d) Fine
- 48) Indirect tax is _____.
- (a) Proportional (b) **Regressive** (c) Progressive (d) Degressive
- 49) _____ Budget is generally sanctioned for not more than 2 months.
- (a) Zero base (b) **Vote-on-account** (c) Performance (d) Balanced
- 50) The ministry of _____ prepares the central budget yearly.
- (a) Commerce (b) Trade (c) **Finance** (d) Foreign affairs