

1. Which of the following items are considered under the revenue expenditure side of budget?

1. Interest payments
2. Salaries, Pensions and Provident fund.
3. Subsidies and expenditure on Social services
4. Defence expenditure

Which of the above statement is/are correct?

- (a) 1, 2 and 3 only
- (b) 2, 3 and 4 only
- (c) 3 and 4 only
- (d) 1, 2, 3 and 4

2. Budget deficit may lead to:

1. Rise in the National Debt
2. Fall in value of currency
3. Increase in currency circulation

Which of the above statement is/are correct?

- (a) 1 and 2 only
- (b) 1, 2 and 3
- (c) 1 and 3 only
- (d) 2 and 3 only

3. Which of the following items are considered under the non-tax revenue receipts of government of India?

1. Interest
2. Examination fee
3. Dividend and profits
4. Salaries

Select the correct answer using the code given below:

- (a) 1, 2 and 3 only
- (b) 2 and 4 only
- (c) 3 and 4 only
- (d) 1, 2, 3 and 4

4. Consider the following statements regarding primary deficit and primary surplus:

1. Primary Deficit is the difference between the country's current year's fiscal deficit and the interest paid on the borrowings of the previous year.

2. It refers to the total borrowing amount requirements of the government, excluding interest.

3. Primary Surplus occurs when interest paid of borrowings of the previous year is less than current year's fiscal deficit.

Which of the above statements is/are correct?

- (a) 1 and 2 only
- (b) 2 and 3 only
- (c) 1 and 3 only
- (d) 1, 2 and 3

5. Consider the following statements regarding the Appropriation Bill:

1. Appropriation Bill is passed to finance the expenditure incurred by 'Demand for Grants'.
2. It empowers the parliament to withdraw money from Contingency Fund of India.

Which of the above statements is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 or 2

6. Consider the following statements regarding Deficit financing:

1. Deficit financing is done in developed countries to fight economic depression and finance war expenditure.
2. Government of India does deficit financing by borrowing from Reserve Bank of India and External Borrowing.

Which of the above statements is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 or 2

7. Consider the following statements regarding Zero-based budgeting

1. Zero-based budgeting is a method of budgeting in which all expenses must be justified for each new period.
2. This method of budgeting was implemented by government of India from the first budget.