

PUBLIC FINANCE QUESTIONS

1) Which one of the following is NOT an example of Indirect Tax ?

- >Sales tax
- >Excise duty
- >Custom duty
- >Expenditure tax

Answer:

- >Expenditure tax
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2) Interest on public debt is a part of :

- >Transfer payments by the enterprises
- >Transfer payments by the Government
- >National Income
- >Interest Payment by House holds

Answer:

- >Transfer payments by the Government
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3) Which authority recommends the principles governing the grants-in-aid of the revenue of the states out of the Consolidated Fund of India ?

- >Public Accounts Committee
- >Union Ministry of Finance
- >Finance Commission
- >Inter-state Council

Answer:

- >Finance Commission
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4) Which a midst the following taxes collected by the Union is not mandated to be assigned to the States ?

- >Terminal taxes on good or passengers carried by railway, sea or air
- >Taxes on railway fares and freights
- >Taxes on consignment of goods
- >Service tax

Answer:

>Service tax

5) The break-even point is where:

- >Marginal revenue equals marginal cost
- >Average revenue equals marginal cost
- >Average revenue equals average cost
- >Total revenue equals total cost

Answer:

>Marginal revenue equals marginal cost

6) Which of the following taxes is exclusively and totally assigned to the Central Government by the Constitution ?

- >Esate Duty
- >Sales Tax
- >Taxes on Railway fares and Freights
- >Corporation Tax

Answer:

>Corporation Tax

7) Fiscal Policy is related to:

- >Money supply in the economy
- >Regulation of the Banking system
- >Planning for economic development
- >Government s Revenue and Expenditure

Answer:

>Government s Revenue and Expenditure

8) If the tax rate increases with the higher level of income it shall be called :

- >Proportional Tax
- >Progressive tax
- >Lump sum tax
- >regressive tax

Answer:

>Progressive tax

9) Finance Commission is constituted :

- >Every year
- >once in two years
- >once in four years
- >once in five years

Answer:

- >once in five years
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-

10) The Report of Vijay Kelkar Committee relates to:

- >Trade Reforms
- >Centre-State Financial Relations
- >Disinvestment in Public Sector Enterprises
- >Tax Reforms

Answer:

- >Tax Reforms
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11) Which one of the following is NOT the source of revenue of Central Government ?

- >Income Tax
- >Corporate Tax
- >Agriculture Income Tax
- >Excise Duty

Answer:

- >Agriculture Income Tax
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12) Which one of the following is not a source of tax revenue in Indian States ?

- >Land Revenue
- >Motor vehicle Tax
- >Entertainment tax
- >Corporate Tax

Answer:

- >Corporate Tax
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13) Which of the following taxes are levied and collected by the Centre but their net proceeds are wholly transferred to States ?

- >Expenditure Tax and Gift Tax
- >Additional Duties of Excise in lieu of Sales Tax
- >Stamps and Registration
- >Taxes on Advertisements

Answer:

>Taxes on Advertisements

14)The budgetary deficit in the Union Budget of India is equal to :

- >Revenue deficit plus capital deficit
- >Revenue deficit minus capital deficit
- >Revenue deficit plus capital deficit
- >Fiscal deficit minus capital deficit

Answer:

>Fiscal deficit minus capital deficit

15)Which of the following is not a tax/duty levied by the Government of India ?

- >Income Tax
- >Education Cess
- >Service Tax
- >Custom Duty
- >Toll Tax

Answer:

>Toll Tax

16)Which of the following taxes is collected by the Government on sale of goods and services in the country ?

- >NAT
- >GET
- >SAT
- >VAT
- >NONE OF THESE

Answer:

>VAT

17)Fiscal deficit is:

- >total income less Government borrowing
- >Total payments less total receipts
- >Total payments less capital receipts
- >Total expenditure less total receipts excluding borrowing
- >None of these

Answer:

>Total expenditure less total receipts excluding borrowing

18) Which of the following is not the part of the structure of the Financial system in India ?

- >Industrial Finance
- >Agriculture Finance
- >Government Finance
- >Development Finance
- >Personal Finance

Answer:

- >Personal Finance
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19) Which of the following is not a source of tax revenue collected by the Government of India ?

- >Custom Duty
- >Excise Duty
- >Service Duty
- >Income Tax
- >Dividends and Profits

Answer:

- >Dividends and Profits
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20) The amount of which of the following reflects the overall budgetary position of the Government of India at a given time.

- >Revenue Deficit
- >Total Amount of Income tax collected
- >Capital Deficit
- >Fiscal Deficit
- >None of These

Answer:

- >Fiscal Deficit
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