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GOVERNMENT BUDGET AND THE ECONOMY GOVERNMENT BUDGET – MEANING, OBJECTIVES AND COMPONENTS

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| 1) Define government budget. |
| 2) State the objectives of a government budget. |
| 3) Explain the following objectives of a government budget. |
| a) Re-allocation of resources b) Re-distribution of income and wealth |
| 4) Explain the following objectives of a government budget. |
| 5) Give the main components of a government budget. |

CLASSIFICATION OF RECEIPTS – REVENUE RECEIPTS AND CAPITAL RECEIPTS; CLASSIFICATION OF EXPENDITURE – REVENUE EXPENDITURE AND CAPITAL EXPENDITURE \

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| 6) Differentiate between revenue receipts and capital receipts. Give examples also. |
| 7) Differentiate between revenue expenditure and capital expenditure. Give examples also. |
| 8) Differentiate between direct taxes and indirect taxes. Give examples also. |

MEASURES OF GOVERNMENT DEFICIT – REVENUE DEFICIT, FISCAL DEFICIT, PRIMARY DEFICIT – MEANING

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| 9. What do you mean by budget deficit? | |
| 10) What do you mean by revenue deficit and what are its implications? | |
| 11) What do you mean by fiscal deficit and what are its implications? | |
| 12) What do you mean by primary deficit and what are its implications? | |
| 1) What is meant by circular flow of income? | 1 |
| 2) What are the two types of circular flow of income? | 1 |
| 3) What do you mean by real flow? | 1 |
| 4) What do you mean by money flow? | 1 |
| 5) Differentiate between injections and leakages in the circular flow of income. | 3 |
| 6) What do you mean by product market? | 1 |
| 7) What do you mean by factor market? | 1 |
| 8) Draw a picture showing circular flow of income in a two sector economy without financial system? | 3 |

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| 9) | Draw a picture showing circular flow of income in a two sector economy with financial system? | 3 |
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| 10) | Draw a picture showing circular flow of income in a four sector economy with financial system? | 4 |
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METHODS OF CALCULATING NATIONAL INCOME

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| 11) | Name any two methods involved in the estimation of national income. | 1 |
| 12) | Briefly outline the steps involved in the estimation of national income by income method. | 4 |
| 13) | Briefly outline the steps involved in the estimation of national income by expenditure method. | 6 |
| 14) | Briefly outline the steps involved in the estimation of national income by value added method. | 6 |
| 15) | Give the different components of domestic factor income. | 3 |
| 16) | What do you mean by double counting? How it can be avoided? | 3 |
| 17) | What do you mean by value added? | 1 |
| 18) | What do you mean by value of output? | 1 |
| 19) | Define change in stock. | 1 |
| 20) | Explain any four precautions that have to be undertaken while estimating national income by income method. | 6 |
| 21) | Explain any four precautions that have to be undertaken while estimating national income by expenditure method. | 6 |

AGGREGATES RELATED TO NATIONAL INCOME: GNP, NNP, GDP AND NDP-AT MARKET PRICE, AT FACTOR COST, NATIONAL DISPOSABLE INCOME (GROSS & NET)

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| 22) | What do you mean by NDP_{MP} ? | 1 |
| 23) | What do you mean by GNP_{MP} ? | 1 |
| 24) | What do you mean by NNP_{MP} ? | 1 |
| 25) | What do you mean by GNP_{FC} ? | 1 |
| 26) | Differentiate between factor payment and transfer payment. | |
| 27) | What do you mean by Nominal GDP? | 1 |
| 28) | Differentiate between Real GDP and Nominal GDP. | |
| 29) | Why Real GDP is a better index of welfare of the people? | 1 |
| 30) | Give any three advantages of Real GDP. | |
| 31) | Define GDP deflator and give its formula. | 1 |
| 32) | Define green GNP. | 1 |
| 33) | Write down any four limitations of using GDP as an index of welfare of a country. | |

ECONOMICS

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| 35) | How composition of GDP acts as a limitation in taking Gross Domestic Product as an index of welfare? Explain. | 1 |
| 36 | Write down any four limitations of using GDP as an index of welfare of a country. | 4 |

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UNIT -8 GOVERNMENT BUDGET AND THE ECONOMY GOVERNMENT BUDGET – MEANING, OBJECTIVES AND COMPONENTS

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CLASSIFICATION OF RECEIPTS – REVENUE RECEIPTS AND CAPITAL RECEIPTS;
**CLASSIFICATION OF EXPENDITURE – REVENUE EXPENDITURE AND CAPITAL EXPENDITURE **

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| 6) Differentiate between revenue receipts and capital receipts. Give examples also. |
| 7) Differentiate between revenue expenditure and capital expenditure. Give examples also. Ø |
| 8) Differentiate between direct taxes and indirect taxes. Give examples also. |

MEASURES OF GOVERNMENT DEFICIT – REVENUE DEFICIT, FISCAL DEFICIT, PRIMARY DEFICIT – MEANING

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| 9) What do you mean by budget deficit? |
| 10) What do you mean by revenue deficit? |
| 11) What do you mean by fiscal deficit? |
| 12) What do you mean by primary deficit? |
| 13) Differentiate between balance of trade and balance of payment. |
| 14) State the components of balance of payment account. |
| 15) What do mean by current account of balance of payments? Explain its components. |
| 16) What do mean by capital account of balance of payments? |
| 17) Differentiate between current account and capital account of balance of payment. |
| 18) Differentiate between autonomous and accommodating transactions of balance of payments account. |
| 19) What does the balance of payment account record? Distinguish between the “balance of current account” and “balance of trade” in this account |
| 10) What do you mean by disequilibrium in balance of payment? |
| 11) What do you mean by surplus in balance of payment account? |
| 12) What do you mean by deficit in balance of payment account? |
| 13) What do you mean by surplus in balance of trade? When the value export of goods is more than the value of import of goods then it is known as surplus in balance of trade. |
| 14) What do you mean by deficit in balance of trade? |