

An Ideal Budget

Man is supposed to be a rational being. Rationality consists in foreseeing the future and planning things at the proper time. The planning to meet the demands of the future in the best possible way with the help of the resources available with a man or a country, is called budgeting. A budget is a financial statement or a plan which shows the revenue and the expenditure for the coming year. A budget, thus, makes the whole picture of future activities and events of a country clear. It gives an idea to the citizens of the state as to what the government plants to do during the year. It gives an idea come to know about the money they would have to surrender to the government. They also come to have an idea of the benefits to be expected in the days to come.

Nature and natural events have a year's cycle. The earth takes a year to complete a revolution around the sun. The changes of season complete themselves in a year. So it is convenient to have one-year cycle in economic affairs too. An ideal budget, therefore, reflects the financial picture of planning for one year. It does, however, take long period development activities into consideration. It gives details of all government impositions and borrowing proposed for the ensuing year. It also details all the disbursements and major development projects likely to call for heavy payments.

A government budget may be balanced, surplus or a deficit one. It is balanced when the tax revenue and expenditure proposed are equal. In the long run, every planner likes to have a balanced budget. But in developing country like India, a budget has to be a deficit one because a deficit budget activate an economy and create conditions of a boom and development.

An ideal budget must be a comprehensive one. It must contain all the statistics— of demand and supply of different commodities and services, of population, of agriculture and industrial growth or decline of foreign trade. It must reflect a clear picture of the economic scene in the country. It must aim at achieving the twin object of growth and stability in prices. Money may be raised more through borrowings and savings (local and foreign) than through heavy taxation. An ideal budget must be received by the poor with a sense of relief. It must also aim at making the country self-sufficient as it is always wise to try to stand on your own legs.

A budget is a plan. It must be wisely conceived and framed and then honestly and efficiently implemented. Many a time, supplementary budgets have to be framed and presented in order to meet fresh demands. A good budget should, therefore, be planned wisely and well in time.

Any planning can succeed only if the people are in a mood to impose upon themselves the discipline expected of them. A budget is planned according to some principles. The users of the budget must submit themselves to the controls put on them. In the absence of such a discipline, no budget, not even the ideal one, can work.