

**National Institute of Open Schooling
Senior Secondary - Economics(318)
Lesson 29 : Government and the budget
Work Sheet : 29**

1. “Government needs collection of revenue to run proper administration in the country”. Taking this statement into consideration, identify various sources of revenue generated by the government.
2. “The payment of tax is compulsory and legal liability of the common people in a country. Taking the statement into account, discuss the structure of taxes in India.
3. “Revenue expenditure made by the government neither creates liability nor reduce assets in the economy”. Support the statement it with suitable illustration.
4. “We know the fact that capital expenditure either create assets or reduces liability of the economy”. In the light of the statement identify the various components of capital expenditure and discuss the relevance of the statement.
5. The economic development of a country depends on pre-determined appropriate objectives of budget structure. Explain various objectives in the favour of the statement.
6. Fiscal measures like public expenditure, taxation public borrowings, deficit financing constitutes the basis for formulating budgetary policy. Discuss these measures in the context of budgetary policy.
7. The taxation policy of Government of India plays an important role to reduce the extent of inequality in our economy. Justify the statement with suitable illustration.
8. Capital receipts of the government create liabilities or reduces assets. On the basis of the statement list out and explain various sources of capital receipts.
9. Right from the introduction of budgetary policy of the government it has been observed that the policy has always shown deficit trend in the economy. On the basis of the information mention the types of budget deficit and also suggest three sources through which government can finance the deficit.
10. Refer question to 2. Distinguish between direct tax and indirect tax.