

Department of Economics
(JMS College, Munger)

Class- B.A.II

Paper- Public Finance

01. Scope of public finance includes:

- (a) Public revenue (b) Public debt (c) Public expenditure (d) All of these

02. Public Authorities Include:

- (a) Central Government (b) State Government (c) Local Government (d) All of these

03. Which is the main point on the basis of which public finance can be separated from private finance:

- (a) Price policy (b) Borrowings (c) Secrecy (d) Elasticity in income

04. In the following which is the characteristic of a tax

- (a) Compulsory (b) optional (c) forced (d) nationality

05. The principle of Maximum Social Advantage have been suggested by

- (a) Pigou (b) Dalton (c) Musgrave (d) Adam Smith

06. Which is the main objective of a tax:

- (a) Increase in consumption (b) increase in production (c) Raising public revenue (d) reduction in capital formation

7. Among the following canons of taxation which one has been given by Adam Smith?

- (a) Canon of Uniformity (b) Canon of productivity (c) canon of diversity (d) canon of equity

8. The Indian tax system is:

- (a) Proportional (b) Progressive (c) Regressive (d) Degressive

9. The burden of direct taxes is borne by:

- (a) Rich person (b) poor person (c) on whom it is levied (d) none of these

10. Indirect taxes have an element of:

- (a) Equitable (b) certainty (c) economical (d) encourage honesty

11. Direct taxes have the element of:

- (a) Evasion (b) convenient (c) progressive (d) economy

12. In proportional tax system, the rates of tax remain:

- (a) Constant (B) increasing (c) decreasing (d) zero

13. Expenditure Tax for India was recommended by:

(a) Kaldor (b) Colin Clarke (c) Adam Smith (d) Adolph Wagner

14. Corporate Income tax is the tax levied on:

(a) Corporations (b) Municipalities (c) Co –operative societies (d) Companies

15. Which of the following is the major source of revenue in India:

(a) Direct tax (b) Capital Levy (c) Grants in aid (d) Indirect tax

16. Which of the following is not a Commodity Tax:

(a) Excise duty (b) Customs Duty (c) Corporation Tax (d) Octroi

17. A duty levied on goods when they entering a town

(a) Income tax (b) Octroi (c) Agricultural tax (d) Professional tax

18. Special Assessment means:

(a) A tax on special benefits (b) General tax on all people (c) A periodical tax (d) Gift tax

19. Non-exclusion principle is related to:

(a) Private goods (b) Public goods (c) Merit goods (d) Mixed goods

20. Education is an example of:

(a) Public good (b) Merit good (c) Social good (d) Club good

21. Public Goods are:

(a) Excludable (b) Non – excludable (c) Marketable (d) All of these

22. Who is the father of Public Finance?

(a) Dalton (b) Pigou (c) Smith (d) Musgrave

23. Incidence of tax means:

(a) Direct money burden (b) indirect money burden (c) actual tax burden (d) none of these

24. Which is the tax shifting?

(a) To bear the tax burden himself (b) to shift the tax burden on others (c) to bear some part of the tax himself and shift the rest on others (d) none of these

25. The equity principle of taxation was propounded by:

A) Adam Smith B) Dalton C) J.B. Say D) Marshall

ANSWER

1. (d) All of these
2. (d) All of these
3. (c) Secrecy
4. (b) Dalton
5. (a) Compulsory
6. (c) Raising public revenue
7. (d) canon of equity
8. (c) Regressive
9. (c) on whom it is levied
10. (a) Equitable
11. (c) progressive
12. (a) Constant
13. (a) Kaldor
14. (d) Companies
15. (d) Indirect tax
16. (c) Corporation Tax
17. (b) Octroi
18. (a) A tax on special benefits
19. (b) Public goods
20. (b) Merit good
21. (b) Non – excludable
22. (a) Dalton
23. (b) indirect money burden
24. (b) to shift the tax burden on others
25. (a) Adam Smith