

Department of Economics
(JMS College, Munger)

Class- B.A.I

Paper- Public Finance

1. The fiscal deficit excluding the interest liabilities for a year is called as
A) Revenue deficit B) Capital deficit C) Budget deficit **D) Primary deficit**
2. The FRBM Act was passed in:
A) 1991 B) 2001 **C) 2003** D) 2011
3. The Zero-based budgeting was first adopted in:
A) India B) France C) Germany **D) USA**
4. Who proposed the Zero-based budgeting for the first time?
A) David Ricardo B) Alfred marshall C) Adam Smith **D) Peter Phyr**
5. Gender budgeting started in India with the Union budget of:
A) 1991-92 B) 2001-02 **C) 2006-07** D) 2010-11
6. Grants recommended by the Finance Commission are known as:
A) Plan grants B) Conditional Grants **C) Statutory grants** D) Conditional grants
7. Which one of the following is not a method for redeeming public debt?
A) Sinking fund B) Capital levy C) Terminal annuities **D) Grants in aid**
8. The Finance Commission in India is appointed by:
A) President B) Prime Minister C) Chief Minister D) Finance Minister
9. The Theory of Maximum Social Advantage was given by:
A) Marshal **B) Dalton** C) Musgrave D) Mill
10. Which of the following is a Statutory Body?
A) Finance Commission B) Planning Commission C) State Planning Board D) None of these
11. Author of 'General Theory of Employment, Interest and Money':
A) Dalton B) Marshal **C) Keynes** D) Musgrave
12. Functional Finance concept was introduced by:
A) Marx and Angels **B) Keynes and Lerner** C) Dalton and Pigou D) J.S. Mill

13. Formation of-----is the actual method of debt redemption:
A) **Sinking fund** B) Capital levy C) Conversion D) Repudiation
14. Chairman of the first Finance Commission:
A) Chadha B) **K.C. Neogi** C) Santhanam D) Y.V. Chavan
15. Redemption of public debt means:
A) **Repayment of debt** B) Repayment of FDI C) Additional borrowing D) Deficit financing
16. The Annual Account of both the income and expenditure is called:
A) Plan B) **Budget** C) Manifesto D) Accounts
17. Equals treated equally in taxation leads to:
A) Vertical equity B) Real equity C) **Horizontal equity** D) None
18. Modified Value Added Tax was introduced in India in:
A) 1951 B) **1986** C) 1991 D) 1976
19. Agricultural Holding Tax was recommended by:
A) Adam Smith B) **K.N. Raj** C) Chelliah D) Marshall
20. The burden of long-term public debt fall on:
A) Present generation B) Past generation C) **Future generation** D) All
21. The Great Depression occurred during:
A) 1919-23 B) **1929-33** C) 1949-53 D) 1901-05
22. Pump Priming is related with:
A) Monetary policy B) Income policy C) Price policy D) **Fiscal policy**
23. Deficit financing may lead to:
A) Poverty B) Unemployment C) **Inflation** D) Deflation
24. The debts which the government promises to pay off at a specified date are called
A) Irredeemable debts B) Funded debts C) **Redeemable debts** D) unfunded debts
25. Short-period debts are called as:
A) **Unfunded debts** B) Funded debts C) Redeemable debts D) None