

## **Assignment**

**Course Name: Skill Enhancement Course for CBCS ( B.A.Programme)**

**Paper Name: SEC-III: Understanding the Economic Survey and Union Budget**

**Semester: IIIrd**

- ❖ How the union budget is prepared. How it is presented in the parliament.
- ❖ Explain the recommendations of the Fourteenth Finance commission.
- ❖ Explain how the process of budget making in India is a complex and interesting exercise?
- ❖ What is GST. Explain its implications on Indian Economy.
- ❖ How climate change is related to sustainable development. Explain the Paris Agreement.
- ❖ What is the difference between Balance of payment and Balance of trade?

## **Test**

1. The Fourteenth Finance commission was guided by the terms of reference and the approach of the previous finance commissions. Explain it.
2. What are the Terms of Reference that shall be taken into consideration by the Fifteenth Finance commission while making the recommendations?
3. What are the current trends in inflation? Also explain the drivers of inflation?
4. Explain the following
  - 1) What are Receipts Budget and Expenditure Budget?
  - 2) what are Demand Numbers and major Heads?
5. Explain the main highlights of the Budget for 2019 -2020.

## MCQ's

**1. Which of the following statement is correct about Budget?**

I. It is a statement of financial position for a future period, setting out proposed expenditure and means of financing it.

II. Article 111 of the Constitution requires the government to present to Parliament a statement of estimated receipts and expenditure in respect of every financial year.

Select correct one:

A. Only I

B. Only II

C. Both I & II

D. Neither I nor II

**Ans: A**

**2. Which Bill was proposed to be passing to solve problems in infrastructure contracts, PPP and Public Utilities?**

A. Skill Development Programme

B. Companies Amendment Bill

C. Public Utility Resolution of Disputes Bill

D. Goods & Services Tax

**Ans: C**

**3. Consider the following statement (s) is/are related to the annual financial statement (Budget)**

I. The annual financial statement is divided into three parts, consolidated fund, contingency fund and public account.

II. All revenues raised by the government, money borrowed and receipts from loans given by the government flow into the consolidated fund of India.

III. Article 112 of the Constitution requires the government to present to Parliament a statement of estimated receipts and expenditure in respect of every financial year.

Select the correct statement (s):

A. Only I

B. Only II

C. Both I & II

D. I, II and III

**Ans: D**

**4. Consider the following statement (s):**

I. Budget is the process of preparing business estimates

II. Budgetary control is the means to achieve performance on the basis of budget

Which of the following statements is/are correct about budget, budgeting & budgetary control?

A. Only I

B. Only II

C. Both I and II

D. Neither I nor II

**Ans: B**

**5. Consider the following statement (s) is/are true about budget, budgeting & budgetary control.**

I. Budgetary control is a wider concept whereas Budget and budgeting are narrower concepts

II. Budget is the process of preparing business estimates.

Which of the following statements is/are correct?

A. Only I

B. Only II

C. Both I and II

D. Neither I nor II

**Ans: A**

**6. What do you mean by "Fiscal Federalism"?**

A. It refers to the devolution of power and responsibilities of national, sub-national, and governments.

B. It refers to the financial relations between units of governments in a federal government system.

C. It is the amount of money that households have available for spending and saving after income taxes have been accounted for.

D. It states that when per capita income increases above the minimum specific level, population tends to increase.

**Ans: B**

**7. Select the incorrect phase of budget process in India.**

- A. Budget formulation: the preparation of estimates of expenditure and receipts for the ensuing financial year;
- B. Budget enactment: approval of the proposed Budget by the Legislature through the enactment of Finance Bill and Appropriation Bill
- C. Budget execution: enforcement of the provisions in the Finance Act and Appropriation Act by the government—collection of receipts and making disbursements for various services as approved by the Legislature.
- D. Judicial review of budget implementation: audits of government's financial operations on behalf of the Legislature.

**Ans: D**

**8. Select the correct component of Components of the Union (Central) Budget of India?**

- A. Revenue Budget
- B. Capital Budget
- C. Expenditure Budget
- D. Both A & B

**Ans: D**

**9. Find out the correct definition of Capital payments?**

- A. It refers to capital expenditures on construction of capital projects and acquisition of assets like land, buildings machinery and equipment.
- B. It refers to capital revenue collected from the construction of capital projects and acquisition of assets like land, buildings machinery and equipment.
- C. It is the expenditure incurred on the day-to-day running of the Government and its various departments, and for services that it provides.
- D. None of the above

**Ans: A**

**10. Which of the following is not the objective of Indian Budget?**

- I. To managed and proper distribution of resources
- II. To reduce inequalities in income and wealth
- III. To achieve social stability

Code:

- A. Only I
- B. Only II
- C. Only III
- D. I, II & III

**Ans: C**

**11. Examine the following statement (s) in the context of Zero Based Budgeting (ZBB).**

- I. It was first taken up in India in the Union Budget 1987
- II. It is based on prioritizing all governing expenditure
- III. There is a cost benefit analysis of all schemes and the most important ones are kept alive if they are working well.

Which of the following statement (s) given above are correct?

- A. I and II
- B. I and III
- C. II and III

D. All of these

**Ans: A**

**12. What is the difference between ‘vote-on account’ and ‘interim budget’?**

I. The provision of a vote-on-account is used by a regular government, while interim budget is provision used by a caretaker government.

II. A vote-on-account only deals with the expenditure in government’s budget while an interim budget include both expenditure and receipts

Which of the following statement (s) given above are correct?

A. Only I

B. Only II

C. Both I and II

D. Neither I nor II

**Ans: C**

**13. Arrange the following stages in the enactment of budget in proper order:**

I. General discussion

II. Appropriation Bill

III. Finance Bill

IV. Voting of the demands for grant

V. Presentation to legislature

A. I, II, III, IV, V

B. V, I, II, III

C. V, I, IV, III, II

D. V, I, III, IV, II

**Ans: B**

**14. Which of the following documents are presented to the legislature along with the budget?**

I. An explanatory memorandum on the budget

II. A summary of demands for grants

III. An Appropriation Bill

IV. A Finance Bill

V. The economic survey

Code:

A. I, III and V

B. I, II and III

C. II, III and V

D. I, II, III and IV

**Ans: D**

**15. The word 'Budget' is mentioned in which of the following Articles of the Constitution of India:**

A. Art. 266

B. Art. 112

C. Art. 265

D. None

**Ans: D**

**16. The budget was formally introduced in India in:**

A. 1860

B. 1947

C. 1950

D. 1868

**Ans: A**

**17. The correct statements about Public Account of India are:**

I. The public account is the fund to which all public moneys received by or on behalf of the government are credited.

II. No legislative appropriation is required for payments from the Public Account of India.

III. Legislative appropriation is required for payments from the Public Account of India.

IV. All public moneys, other than those credited to the Consolidated Fund of India, which are received by or on behalf of the government are credited to the Public Account of India.

V. It is operated by executive action.

A. I, II and V

B. I, III and V

C. II, IV and V

D. II and IV

**Ans: C**

**18. Which of the following statements are incorrect?**

I. Appropriation Bill cannot be amended while the Finance Bill can be amended.

II. Finance Bill cannot be amended while Appropriation Bill can be amended.

III. Same procedure governs both the Appropriation Bill and the Finance Bill.

IV. Appropriation Bill and the Finance Bill are governed by different procedures.

V. Appropriation bill cannot be rejected by the Rajya Sabha while Finance Bill can be rejected by it.

A. II and IV

B. II, IV and V

C. I and III

D. I, III and V

**Ans: B**