

- The size of major economies of the world is as follows; (in terms of Nominal GDP)

1. U.S.A - \$21.4 trillion.

2. China - \$11.9 trillion.

3. Japan - \$5.2 trillion.

4. Germany - \$4.2 trillion.

5. U.K. - \$3.2 trillion.

6. India - \$2.9 trillion.

- दुनिया की प्रमुख अर्थव्यवस्थाओं का आकार निम्नानुसार है;
- (नाममात्र जीडीपी के संदर्भ में) 1. यू.एस.ए. - \$ 21.4 ट्रिलियन।
 2. चीन - \$ 11.9 ट्रिलियन।
 3. जापान - \$ 5.2 ट्रिलियन।
 4. जर्मनी - \$ 4.2 ट्रिलियन।
 5. यू.के. - \$ 3.565 ट्रिलियन।
 6. भारत - \$ 2.6 ट्रिलियन।

Total

६६

३८५१५
८००१२०



- 1. Demographic profile of India;
Total Population: 1.35 billion
- Population Growth Rate: 1.2%
(2015)
- Literacy: 74.04% (2011 census)
- Male: 82.14% 68.9 years
- Female: 65.46% 69.9 years (women) (2015 - WHO 2016 Report)
- Languages: Hindi, English and at least 16 other official languages
82% English



- Religion:
 - a. Hinduism (79.8%)
 - b. Islam (14.2%)
 - c. Christianity (2.3%)
 - d. Sikhism (1.7%)
 - e. Buddhism (0.7%)
 - f. Jainism (0.4%)
- धर्म:
 - ए। हिंदू धर्म (79.8%) ✓
 - ख। इस्लाम (14.2%) ✓
 - सी। ईसाई धर्म (2.3%)
 - घ। सिख धर्म (1.7%)
 - ई। बौद्ध धर्म (0.7%) ✓
 - च। जैन धर्म (0.4%) ✓



2. Area

- Total Area: 3,287,263 sq km. (3,214 km from North to South and 2,933 km from East to West)
- Land: 2,973,190 sq km
- Water: 314,070 sq km

3. Natural Resources found: Coal (fourth-largest reserves in the world), petroleum, natural gas, bauxite, iron ore, mica, manganese, diamonds, gold and limestone.

2. भूमि
- कुल क्षेत्रफल: 3,287,263 वर्ग किमी। (उत्तर से दक्षिण तक 3,214 किमी और पूर्व से पश्चिम तक 2,933 किमी)
 - भूमि: 2,973,190 वर्ग किमी
 - पानी: 314,070 वर्ग किमी

3. प्राकृतिक संसाधन मिले: कोयला (दुनिया में चौथा सबसे बड़ा भंडार), पेट्रोलियम, प्राकृतिक गैस, बॉक्साइट, लौह अयस्क, अभ्रक, मैग्नेशियम, सोना और चूना पत्थर।



4. Gross Value Added (GVA) Composition by Sector (2016-17 PE)

- a. Services Sector: 53.7%**
 - b. Industry Sector: 31.2%**
 - c. Agriculture Sector: 15.2%**
- 5. Fiscal Year: April 01 – March 31**
- 6. Foreign Exchange Reserves:**
US\$ 421.922 billion (Jan. 2018)
- 7. Value of India's Exports: US\$
26.20 billion (Jan 2018)**

- 8. Critical export partners of India: USA, Germany, UAE, China, Japan, Thailand, Indonesia and European Union
- 9. Share of Top Investing Countries FDI Equity Inflows: (April 2000 – September 2017)
 - a. Mauritius (34%)
 - b. Singapore (17%)
 - c. UK (7%)
 - d. Japan (7%)
- 10. भारत के महत्वपूर्ण नियोत भागीदार: पूर्णसाधा, जर्मनी, यूएड, चीन, जापान, थाईलैंड, इंडोनेशिया और यूरोपीय संघ
- 9. शीर्ष निवेश करने वाले देशों का शेयर एफडीआई इक्विटी इनफ्लॉप 2000 - सितंबर 2017
 - ✓ ए। मॉरीशस (34%)
 - ✓ ख। सिंगापुर (17%)
 - सी। यूके (7%)
 - घ। जापान (7%)



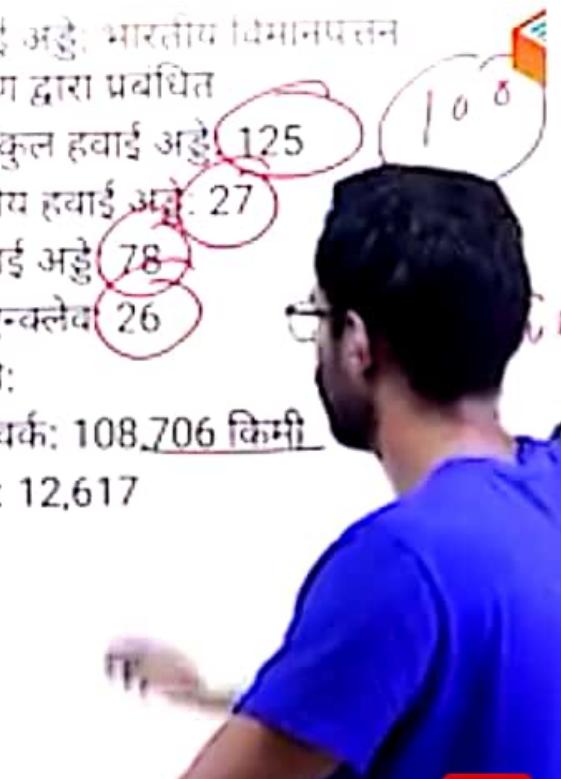
- 10. External Debt of India: \$475.7 b (Dec. 2017)
- 11. Gold Reserves in India: 557.79 Tonnes (Dec. 2017)
- 12. Per Capita Income in India: Rs 1,03,219 (2016-17)
- 13. Tourist Arrivals in India: 10.66 lac/year (Jan. 2018)
- 14. Major Sectors Attracting Highest FDI Equity Inflows: (April 2000 – June 2017)
 - a. Services Sector (17%)
 - b. Telecommunications (8%)
 - c. Computer Software and Hardware (8%)

- 10. भारत पर बाहरी ऋण: \$495.7B (दिसंबर 2017)
- 11. भारत में स्वर्ण भंडार: 557.79 टन (दिसंबर 2017)
- 12. भारत में प्रति व्यक्ति आय रूपये (2016-17)
- 13. भारत में पर्यटक आगमन / दर्शक (Jan. 2018)
- 14. सबसे बड़े एफडीआई इक्विटी आकर्षित करने वाले अमुख शेत्र: (April 2000 - जून 2017)
 - ए। सेवा क्षेत्र (17%)
 - ख। दूरसंचार (8%)
 - सी। कंप्यूटर सॉफ्टवेर और हार्डवेयर (8%)



- 15. Airports Managed by the Airports Authority of India
- Total Airports in India: 125
- International Airports: 27
- Domestic Airports: 78
- Civil enclaves: 26
- 16. Railways:
- Railways Network: 108,706 km
- Passenger Trains: 12,617

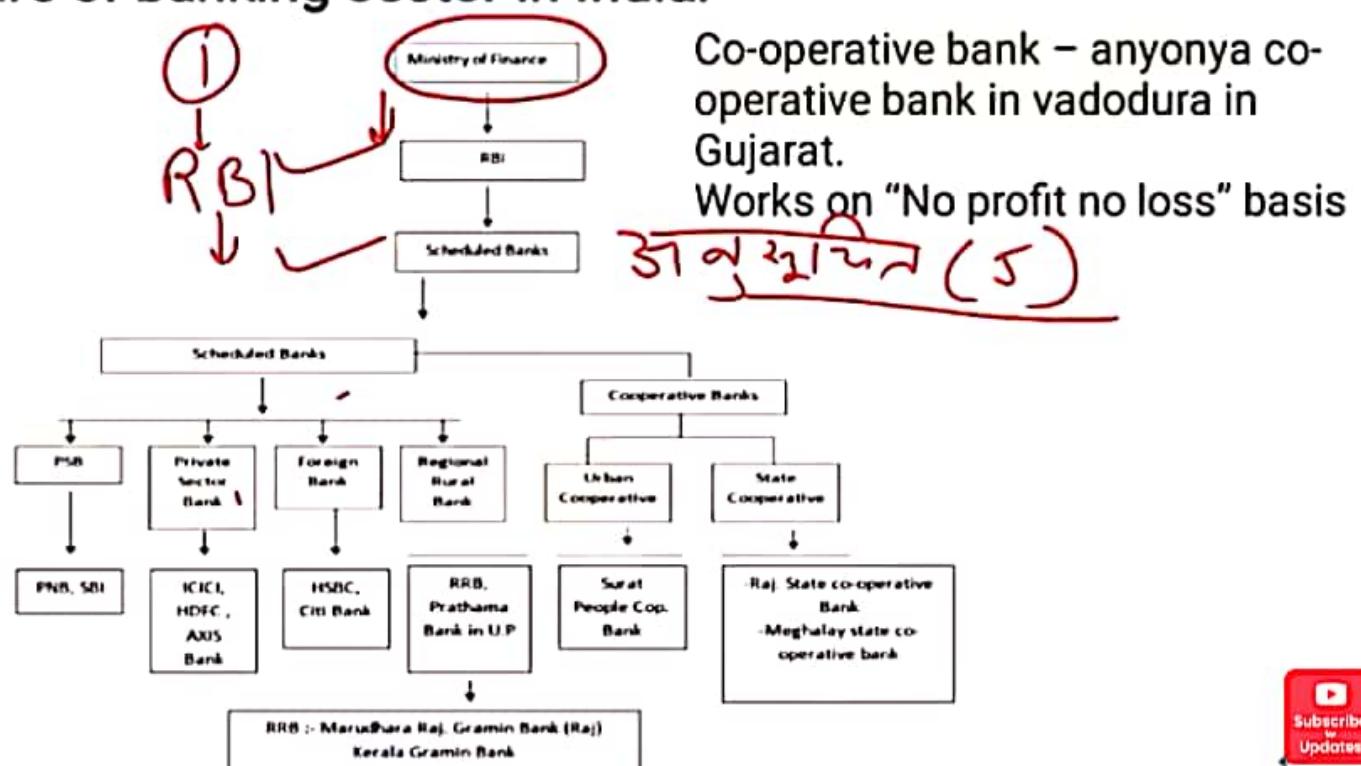
- 15 हवाई अड्डे: भारतीय विमानपत्तन प्रशिकरण द्वारा प्रबंधित
- भारत में कुल हवाई अड्डे: 125
- अंतर्राष्ट्रीय हवाई अड्डे: 27
- देशी हवाई अड्डे: 78
- सिविल एन्क्लेव: 26
- 16. रेलवे:
- रेलवे नेटवर्क: 108,706 किमी
- यात्री ट्रेनें: 12,617

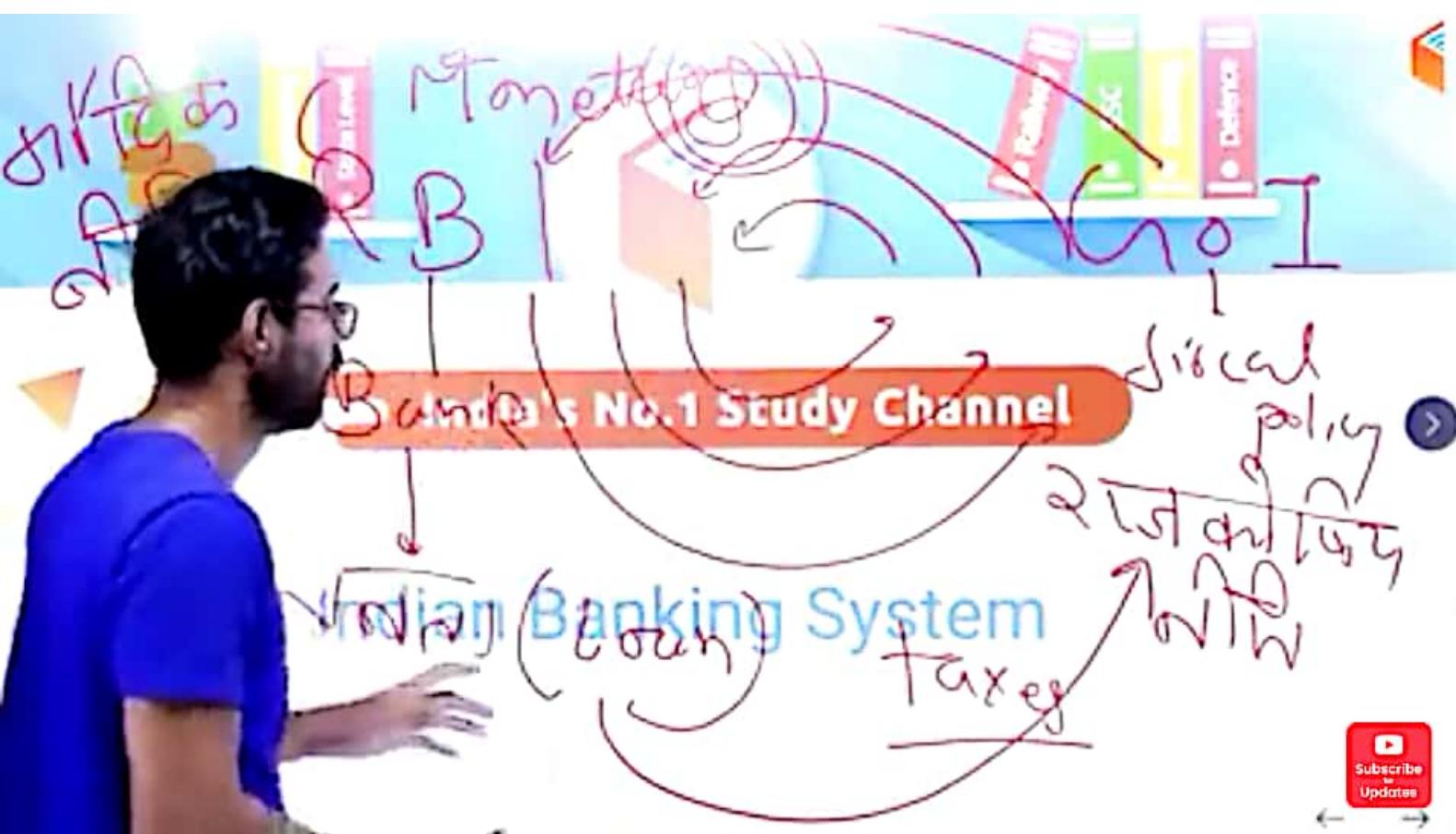


- **Total Railways Stations:** 7,172
- **Daily Travellers:** 23 million
- **17. Roadways:**
- **Total Road Network:** 4.87 million km (second largest in the world)
- Indian roads carry about 65% of freight and 85% of passenger traffic.
- **19. Waterways:** 14,500 km
- **20. Major Ports of Entry:**
- Mumbai, Chennai, Kolkata, Haldia, Kandla, Ennore, Paradip, Tuticorin and Vishakhapatnam, Jawaharlal Nehru Port Trust, Kochi, Mormugao and New Mangalore.



Structure of banking sector in India.





Subscribe
Updates

2181 Cr 1 Cr

1,00,000

Profit Bank

Bank

4%

12 - 4 =

1,00,000

100

Bank

12%

8%



- Market (Maximum 24 hours)
 - 15 lakh Inflation
- Currency ($\frac{1}{2} \text{ Bs}$) = Value ↓
- Price (3 Bs) = ↑
- Venezuela



Money Market (Minimum)

→ Zeru (Product) - भर्ता

→ Company → Profit X

→ Unemployment → ↑ ↑
~~(Notional)~~



Money Market (Minimum)

→ Zcyclical Product - अस्थायी

→ Company → Profit ✗ ✓

→ Unemployment → ↓ ↓ /



- Monetary policy refers to the policy of the central bank – i.e Reserve Bank of India – in matters of interest rates, money supply and availability of credit.
- It is through the monetary policy, RBI controls inflation in the country.
- The Reserve Bank of India (RBI) is vested with the responsibility of conducting monetary policy.
- This responsibility is explicitly mandated under the Reserve Bank of India Act, 1934.

- Monetary Policy Committee (MPC)
- Now in India, the policy interest rate required to achieve the inflation target is decided by the Monetary Policy Committee (MPC). MPC is a six-member committee constituted by the Central Government (Section 45ZB of the amended RBI Act, 1934).
- The MPC is required to meet at least four times in a year

Bank Rate refers to the official interest rate at which RBI will provide loans to the banking system which includes commercial / cooperative banks, developments banks.

Thus, bank rate is also known as discount rate.

Present Bank Rate : 6.25%

Repo rate is the rate at which the central bank of a country (Reserve Bank of India in case of India) lends money to commercial banks in the event of any shortfall of funds.

- **Repo rate** is used by monetary authorities to control inflation.
- Bank Rate and Repo Rate seem to be similar terms because in both of them RBI lends to the banks.
- However, Repo Rate is a short-term measure and it refers to short-term loans and used for controlling the amount of money in the market. On the other hand, Bank Rate is a long-term measure.
- Present Policy Repo Rate : 6.00%

Repo Rate (रेपो रेट) →

→ Inflation (इकायनी) control
(Money)

Repo ↑ ↓
↑ Repo 8% → Bank → 9% → (Bank)



Deflation (अपरिवर्ती) → Money
(Minimum)

Repo Rate

Repo Rate 8% → Bank 6% → Loan
8.75%

Q3.8



REPO (injection of liquidity)

RBI

Liquidity moves to

Govt. securities move to

Bank

REVERSE REPO (absorption of liquidity)

RBI

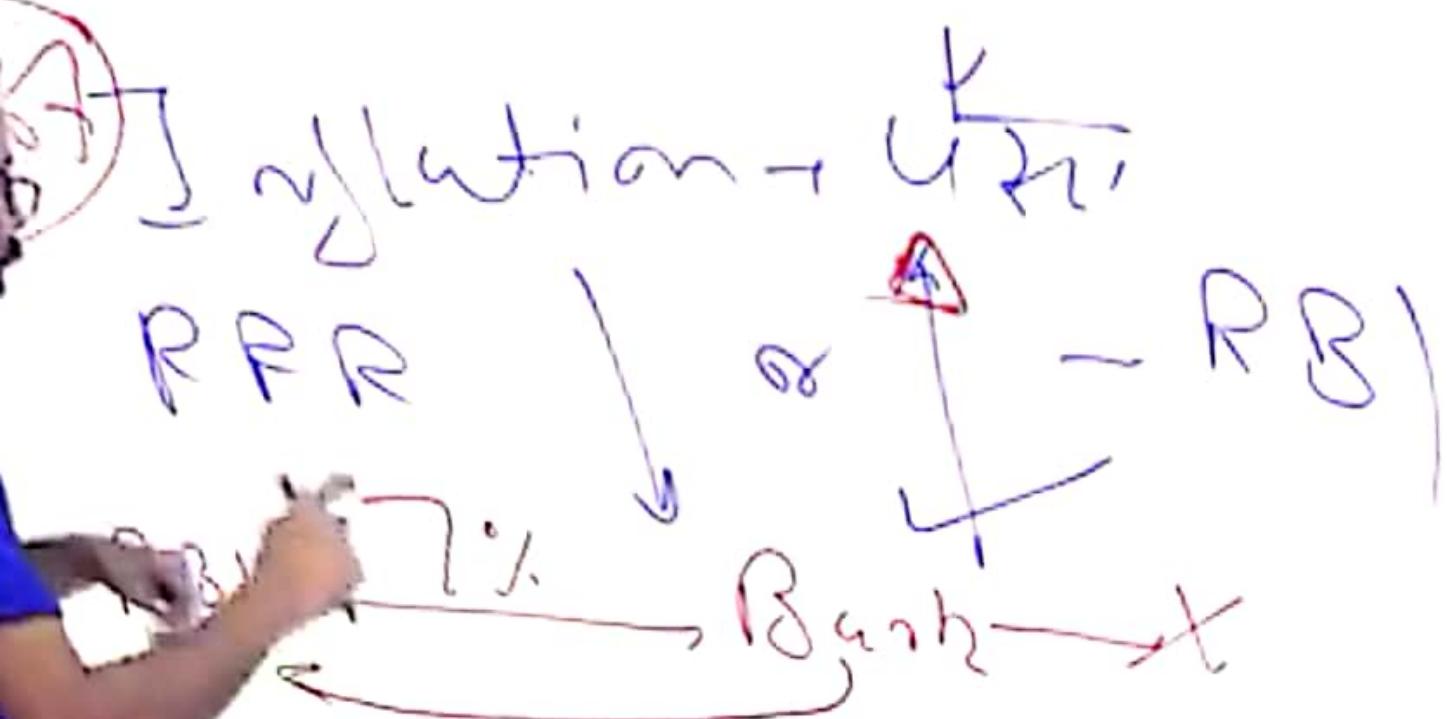
Govt. securities move to

Liquidity

Bank



क्रेडिट लेन्डिंग



The banks and other financial institutions in India have to keep a fraction of their total net time and demand liabilities in the form of liquid assets such as G-secs, precious metals, approved securities etc.

The Ratio of these liquid assets to the total demand and time liabilities is called Statutory Liquidity Ratio.

Present SLR : 19.00%

- भारत में बैंकों और अन्य वित्तीय संस्थानों को अपने कुल शुद्ध समय का एक हिस्सा रखना होगा और तरल संपत्तियों जैसे कि जी-सेक, कीमती धातुओं, अनुमोदित प्रतिभूतियों आदि के रूप में देयताओं की मांग करनी होगी।
- कुल मांग और समय के लिए इन तरल संपत्तियों के अनुपात को वैधानिक तरलता अनुपात कहा जाता है।
- वर्तमान SLR: 19.00%



RB)



$$19 - 6.04 \\ 4 \times = \text{cash}$$

$$100 - 23 = 77$$

(LGF) → Gross Margin

(CRR → 4% → Loan X)

- SLR has to be maintained at the close of business on every day.
- The **Cash Reserve Ratio** is the amount of funds that the banks are bound to keep with Reserve bank of India as a portion of their Net Demand and Time Liabilities (NDTL).
- The objective of CRR is to ensure the liquidity and solvency of the Banks.
- Present CRR :4%

- एसएलआर को हर दिन कामकाज के बाद अनुरक्षित रखना पड़ता है।
- **नकद आरक्षित अनुपात**, वह राशि है जिसे बैंक अपने नेट डिमांड और टाइम लायबिलिटीज़ (NDTL) के हिस्से के रूप में भारतीय रिज़र्व बैंक के साथ रखने के लिए बाध्य होते हैं।
- CRR का उद्देश्य बैंकों की तरलता और सॉल्वेंसी सुनिश्चित करना है।
- वर्तमान CRR: 4%



Reverse repo rate is the rate at which the central bank of a country (Reserve Bank of India in case of India) borrows money from commercial banks within a country.

It is a monetary policy instrument which can be used to control the money supply in the country.

Present Reverse Repo Rate :
5.75%

- रिवर्स रेपो दर वह दर है जिस पर किसी देश का केंद्रीय बैंक (भारत के मामले में भारतीय रिजर्व बैंक) देश के भीतर वाणिज्यिक बैंकों से धन उधार लेता है।
- यह एक मौद्रिक नीति साधन है जिसका उपयोग देश में मुद्रा आपूर्ति को नियंत्रित करने के लिए किया जा सकता है।
- वर्तमान रिवर्स रेपो दर: 5.75%



MSF

- It is the rate at which the banks are able to borrow overnight funds from RBI against the approved government securities.
- Marginal Standing Facility is a new Liquidity Adjustment Facility (LAF) window created by Reserve Bank of India in 2011.
- The banks can borrow up to 1 percent of their net demand and time liabilities (NDTL) from this facility.
- Present Marginal Standing Facility Rate : 6.25%

एमएसएफ

- यह वह दर है जिस पर बैंक अनुमोदित सरकारी प्रतिभूतियों के बदले RBI से रातोंरात धनराशि उधार लेने में सक्षम हैं।
- सीमांत स्थायी सुविधा 2011 में भारतीय रिजर्व बैंक द्वारा बनाई गई एक नई तरलता समायोजन सुविधा (एलएएफ) खिड़की है।
- बैंक इस सुविधा से अपनी शुद्ध मांग और समय देनदारियों (NDTL) का 1 प्रतिशत तक उधार ले सकते हैं।
- वर्तमान सीमांत स्थायी सुविधा दर: 6.25%



Liquidity Adjustment Facility (LAF) is the primary instrument of Reserve Bank of India for modulating liquidity and transmitting interest rate signals to the market.

Informally, Liquidity Adjustment Facility is also known as Liquidity Corridor.

- Base rate is the minimum rate set by the Reserve Bank of India below which banks are not allowed to lend to its customers.
- Base Rate : 8.95% - 9.40%

Consider the following statements

1) Surcharge is tax on tax.

2) Cess is charge on the tax.

Which of the following is/are not correct?

a) Only 1

b) Only 2

c) Both

d) None of the above

निम्नलिखित कथनों पर विचार करें

1) सरचार्ज कर पर कर होता है

2) उपकर कर पर शुल्क होता है

निम्नलिखित में से कौन सा सही नहीं है / हैं?

ए) केवल 1

ब) केवल 2

ग) दोनों

द) उपरोक्त में से कोई नहीं

1% → Cess



GDR means:

- A. 'Gross domestic ratio'
- B. 'Global Depository Receipt'
- C. 'Global development range'
'Geographically developed
regions'

GDR का अर्थ है:

- A. 'सकल घरेलू अनुपात' X
- B. 'ग्लोबल डिपॉजिटरी रसीद'
- C. 'वैश्विक विकास श्रेणी'
- D. 'भौगोलिक रूप से विकसित क्षेत्र'

GDP



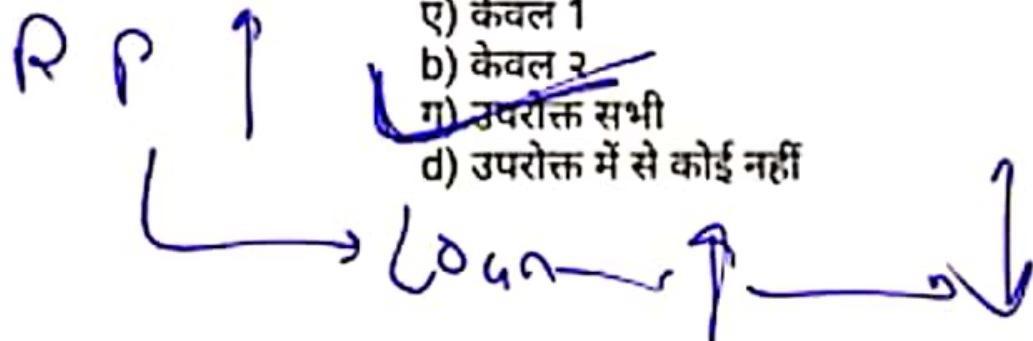
Consider the following statements with respect to repo rates

1) Rate at which central bank (RBI) lends money to commercial bank for short term liquidity needs.

2) Increase in repo rate helps in controlling inflation

Which of the following is/are correct?

- a) Only 1
- b) Only 2
- c) All of the above
- d) None of the above



रेपो दरों के संबंध में निम्नलिखित कथनों पर विचार करें

1) यह दर जिस पर केंद्रीय बैंक (RBI) कम अवधि के लिए वाणिज्यिक बैंक को तरलता की जरूरत के लिए पेसा उधार देता है है।

2) रेपो दर में बढ़ि से मुदास्फीति को नियंत्रित करने में मदद मिलती है निम्नलिखित में से कौन सा सही है / हैं?

- a) केवल 1
- b) केवल 2
- c) उपरोक्त सभी
- d) उपरोक्त में से कोई नहीं



Which are the qualitative techniques used in monetary policy

- 1) Open market operations
- 2) Credit Rationing
- 3) Moral Suasion

Which of the techniques given above are correct?

- a) Only 1 and 2
- b) Only 2 and 3
- c) Only 1 and 3
- d) All of the above

मौद्रिक नीति में उपयोग की जाने वाली गुणात्मक तकनीकें कौन सी हैं

1) खुला बाजार सचालन

2) क्रेडिट राशनिंग

3) नीतिक सूदखोरी

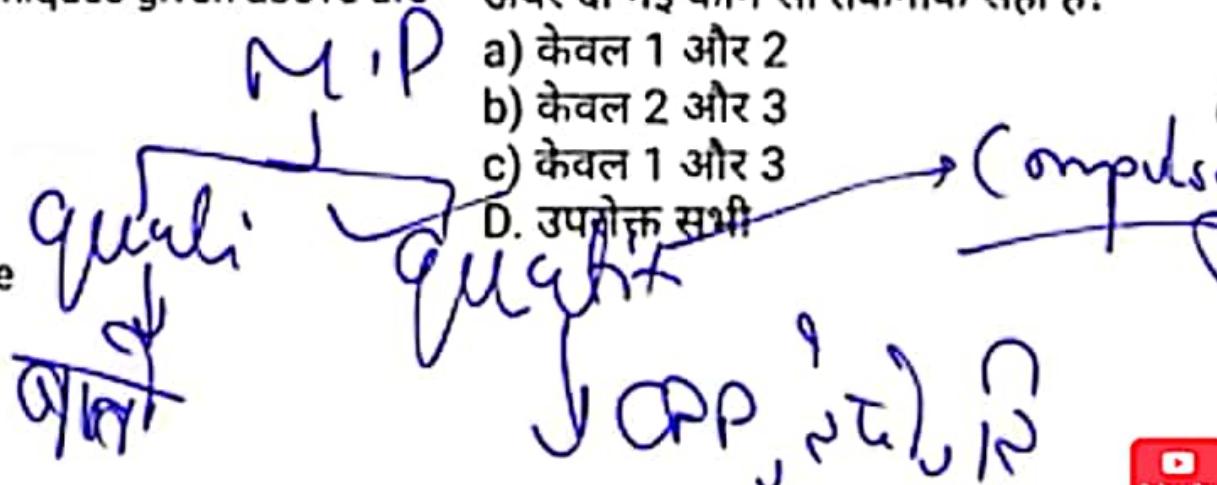
ऊपर दी गई कौन सी तकनीक सही हैं?

a) केवल 1 और 2

b) केवल 2 और 3

c) केवल 1 और 3

D. उपरोक्त सभी



Which are the qualitative techniques used in monetary policy

- 1) Open market operations
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- 3) Moral Suasion

Which of the techniques given above are correct?

- a) Only 1 and 2
- b) Only 2 and 3
- c) Only 1 and 3
- d) All of the above

मौद्रिक नीति में उपयोग की जाने वाली
गुणात्मक तकनीकें कौन सी हैं

1) खुला बाजार सचालन \times

2) क्रेडिट राशनिंग

3) नीतिक सूदखोरी

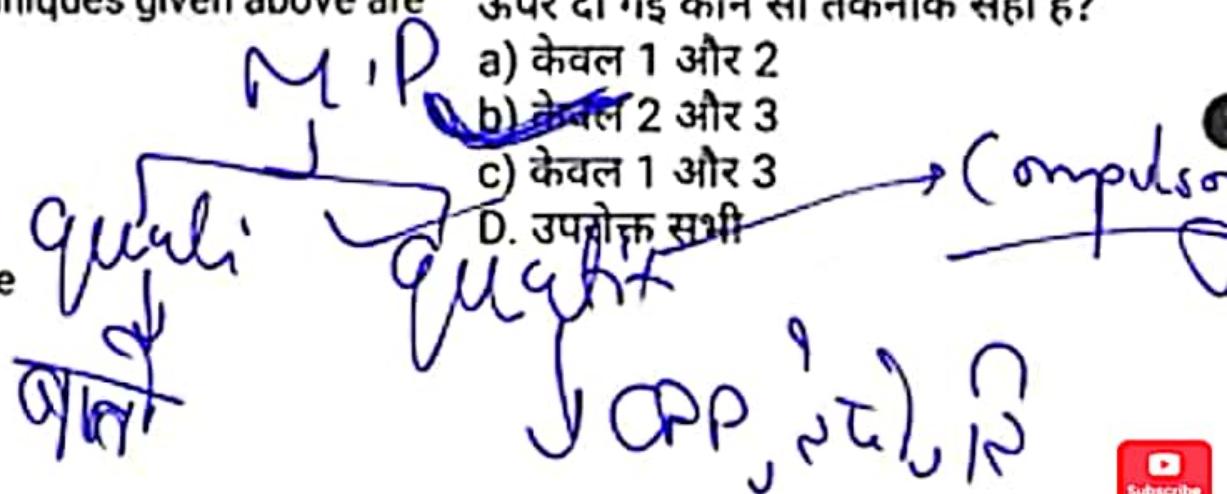
ऊपर दी गई कौन सी तकनीक सही हैं?

a) केवल 1 और 2

b) केवल 2 और 3

c) केवल 1 और 3

D. उपरोक्त सभी



With respect to Deputy Governor of RBI, consider the following statements

- 1) The RBI has four deputy governors
- 2) A central bank Deputy Governor can be appointed for a term with a maximum of five years or till the age of 60

Select the correct answer using the code given below.

- a) Only 1
- b) Only 2
- c) All of the above
- d) None of the above

RBI के उप-गवर्नर के संबंध में, निम्नलिखित कथनों पर विचार करें

- 1) RBI के चार डिप्टी गवर्नर हैं
- 2) एक केंद्रीय बैंक के डिप्टी गवर्नर को अधिकतम पांच कार्यकालों के लिए या 60 वर्ष की आयु ~~के~~ नियुक्त किया जा सकता है नीचे दिए गए कोड का उपयोग करके सही उत्तर चुनें।
ए) केवल 1
ब) केवल 2
ग) उपरोक्त सभी
द) उपरोक्त में से कोई नहीं



Which of the following can be causes of Inflation?

- 1. Increase in population
 - 2. Increase in income levels of the population
 - 3. Enhanced Government Expenditure
- A) 2 only
B) 2 and 3 only
C) 1 and 3 only
D) All of the above

निम्नलिखित में से कौन सा मुद्रास्फीति का कारण हो सकता है?

- 1. जनसंख्या में वृद्धि
 - 2. जनसंख्या के आय स्तर में वृद्धि
 - 3. वर्धित सरकारी व्यय
- क) केवल 2
बी) 2 और 3 केवल
ग) केवल 1 और 3
D. ऊपरोक्त सभी



Consider the following statements about Capital Gains Tax:

1. Capital gains tax is levied on profits made out of assets.
2. It is applicable only when the asset is realised.

Which of the above statements are correct?

- A) 1 only
- B) 2 only
- C) Both 1 and 2
- D) Neither 1 nor 2

कैपिटल गेंस टैक्स के बारे में निम्नलिखित कथनों पर विचार करें:

1. व्यापारिक संपत्तियों से किए गए मुनाफे पर पूँजीगत लाभ कर लगाया जाता है।
2. यह तभी लागू होता है जब संपत्ति की बिक्री होती है।

उपरोक्त कथनों में से कौन सा सही हैं?

- ए) केवल 1
- ब) 2 ही
- ग) 1 और 2 दोनों
- डी) न तो 1 और न ही 2

16

Budget
द्वांतारक्ष

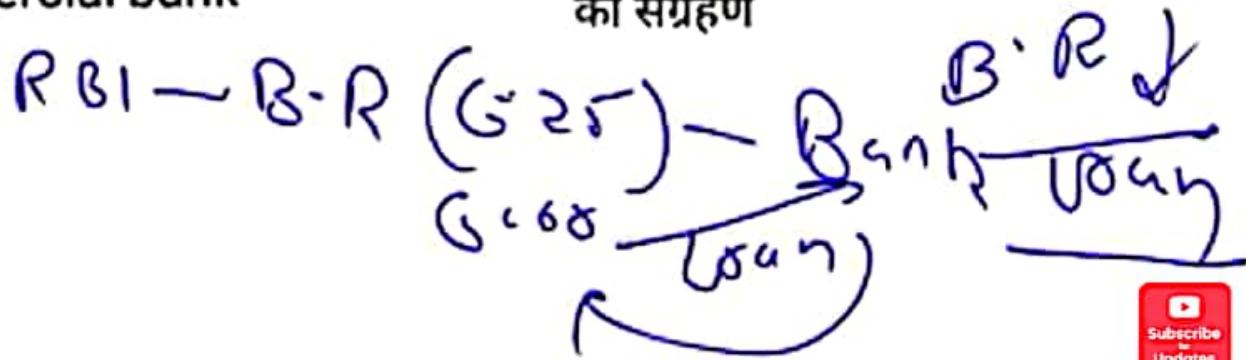


The lowering of Bank Rate by the Reserve Bank of India leads to

- A. More liquidity in the market
- B. Less liquidity in the market
- C. No change in the liquidity in the market
- D. Mobilization of more deposits by commercial bank

भारतीय रिजर्व बैंक द्वारा बैंक दर कम करने पर क्या हो सकता है?

- A. बाजार में अधिक तरलता
- B. बाजार में कम तरलता
- C. बाजार में तरलता में कोई बदलाव नहीं होगा
- D. वाणिज्यिक बैंक द्वारा अधिक जमाओं का संग्रहण



The Economic Survey is compiled by:

- A. Office of economic advisor.
- B. Central Statistical office (CSO)
- C. National Sample Survey Organization (NSSO)
- D. Department of economic affairs

आर्थिक सर्वेक्षण किसके द्वारा संकलित किया जाता है:

- A. आर्थिक सलाहकार कार्यालय।
- B. केंद्रीय सांख्यिकी कार्यालय (CSO)
- C. राष्ट्रीय नमूना सर्वेक्षण संगठन (NSSO)
- D. आर्थिक मामलों का विभाग





Which among the following is a qualitative tool of monetary policy?

- A. Bank Rate
- B. OMO
- C. Credit rationing
- D. Cash Reserve Ratio

निम्नलिखित में से कौन सा मौद्रिक नीति का गुणात्मक उपकरण है?

- A. बैंक दर
- B. ओएमओ
- C. क्रेडिट राशनिंग
- D. नकद आरक्षित अनुपात

निम्नलिखित में से कौन सा मौद्रिक नीति का गुणात्मक उपकरण है?
बैंक दर
ओएमओ
क्रेडिट राशनिंग
नकद आरक्षित अनुपात



The minimum interest rate of a bank below which it is not viable to lend, is known as?

- A. Reserved Rate
- B. Base Rate
- C. Marginal Rate
- D. Prime Lending Rate

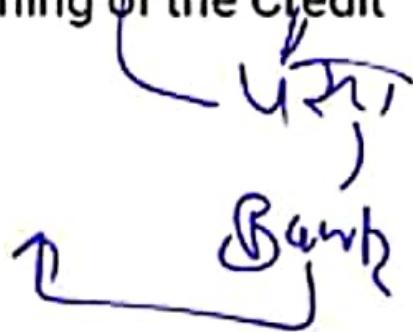
वह न्यूनतम व्याज दर जिसके नीचे कोई बैंक उधार नहीं दे सकता कहलाता है?

- A. आरक्षित दर
- B. आधार दर
- C. सीमांत दर
- D. प्राइम लेंडिंग रेट



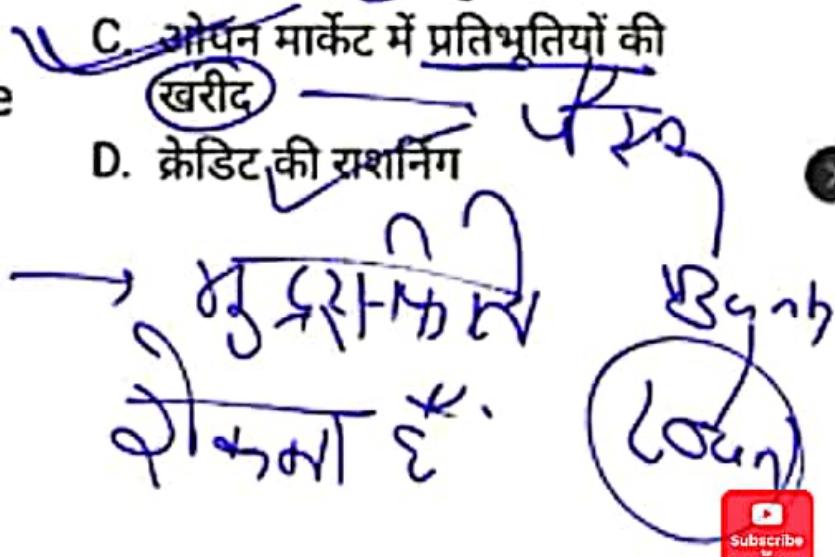
Which among the following can not be called an anti inflationary measure?

- A. Raising the Bank Rates
- B. Raising the Reserve Ratio Requirements
- C. Purchase of securities in the Open Markets
- D. Rationing of the Credit



निम्नलिखित में से किसे एंटी-इन्फ्लेशनरी उपाय नहीं कहा जा सकता है?

- A. बैंक दरें बढ़ाना
- B. नकद आरक्षित अनुपात को बढ़ाना
- C. ओपन मार्केट में प्रतिभूतियों की खरीद
- D. क्रेडिट की राशनिंग





Portion of deposits banks have to park with RBI is called?

- A. Statutory Reserve Ratio
- B. Capital Adequacy Ratio
- C. Cash Reserve Ratio
- D. Repo Rate

आरबीआई के पास डिपॉजिट बैंकों के हिस्से को क्या कहा जाता है?

- A. सांविधिक रिजर्व अनुपात
- B. पूंजी पर्याप्तता अनुपात
- C. ~~तकद आरक्षित अनुपात~~
- D. रेपो दर



- The money value of all the final goods and services produced in the domestic territory of a country in a year's time is called the Gross Domestic Product.
- The domestic territory includes the political boundary as well as terrestrial waters, ships and aircrafts operated by the residents of the country, fishing vessels, oil and natural gas rigs which may be located outside the country, embassies and consulates of the country located abroad.

रुपालाला → 10 Rs + Gross

$$\begin{array}{r} G \\ - 4 \\ \hline 6 R \end{array}$$

Gross

Net

(साकारा)

Domestic
(देशी)
देशी

CDP

P

Product

(उत्पाद)

+
Services

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GDP → State (wealth)

PPI (Price Index)

↳ Standard of living



- The money value of all the final goods and services produced in the domestic territory of a country in a year's time is called the Gross Domestic Product.
- The domestic territory includes the political boundary as well as terrestrial waters, ships and aircrafts operated by the residents of the country, fishing vessels, oil and natural gas rigs which may be located outside the country, embassies and consulates of the country located abroad.

- GDP can be estimated at the current prices and constant prices.
 - When GDP is estimated on the prevalent prices it is called GDP at Current prices.
- When it is estimated on the basis of some fixed prices prevalent at a particular point of time, this is called GDP at constant prices.

The GDP at factor cost is nothing but an attempt to reach at a more realistic value of the GDP and it is represented by GDP (FC)

$$\text{GDP (FC)} = \text{GDP} - \text{Indirect Taxes + Subsidies}$$

Domestic Product

- Every capital goods such as building, machines, equipments, tools, trucks, tractors, trains, airplanes are subject to depreciation and it is a common fact.

- कारक लागत पर जीडीपी कुछ और नहीं बल्कि जीडीपी के अधिक यथार्थवादी मूल्य पर पहुंचने का प्रयास है और इसे जीडीपी (एफसी) द्वारा दर्शाया जाता है। FC
- इसलिए,
- जीडीपी (एफसी) = जीडीपी - अप्रत्यक्ष कर + सब्सिडी
- शुद्ध घरेलू उत्पाद**
- प्रत्येक पूँजीगत सामान जैसे भवन, मशीन, उपकरण, उपकरण, ट्रक, ट्रैक्टर, ट्रेन, हवाई जहाज मूल्यहास के अधीन होते हैं और यह एक सामान्य तथ्य है



- The GI² at factor cost is nothing but an attempt to reach at a more realistic value of the GDP and it is represented by GDP (FC)

So,

$$\text{GDP (FC)} = \text{GDP} - \text{Indirect Taxes + Subsidies}$$

Net Domestic Product (NDP)

- Every capital goods such as building, machines, equipments, tools, trucks, tractors, trains, airplanes are subject to depreciation and it is a common fact.

- कारक लागत पर जीडीपी कुछ और नहीं बल्कि जीडीपी के अधिक यथार्थवादी मूल्य पर पहुंचने का प्रयास है और इसे जीडीपी (एफसी) द्वारा दर्शाया जाता है।
- इसलिए,
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- शुद्ध घरेलू उत्पाद
- प्रत्येक पूँजीगत सामाज जैसे भवन, मशीन, उपकरण, उपकरण, ट्रक, ट्रैक्टर, ट्रैन, हवाई जहाज मूल्यहास्य के अधीन होते हैं और यह एक सामान्य तथ्य है



- When Depreciation which is also known as consumption of fixed capital is deducted from the GDP, it is called Net Domestic Product.
- $NDP = GDP - \text{depreciation}$

Gross National Product (G.N.P.):

Gross National Product is defined as the total market value of all final goods and services produced in a year.

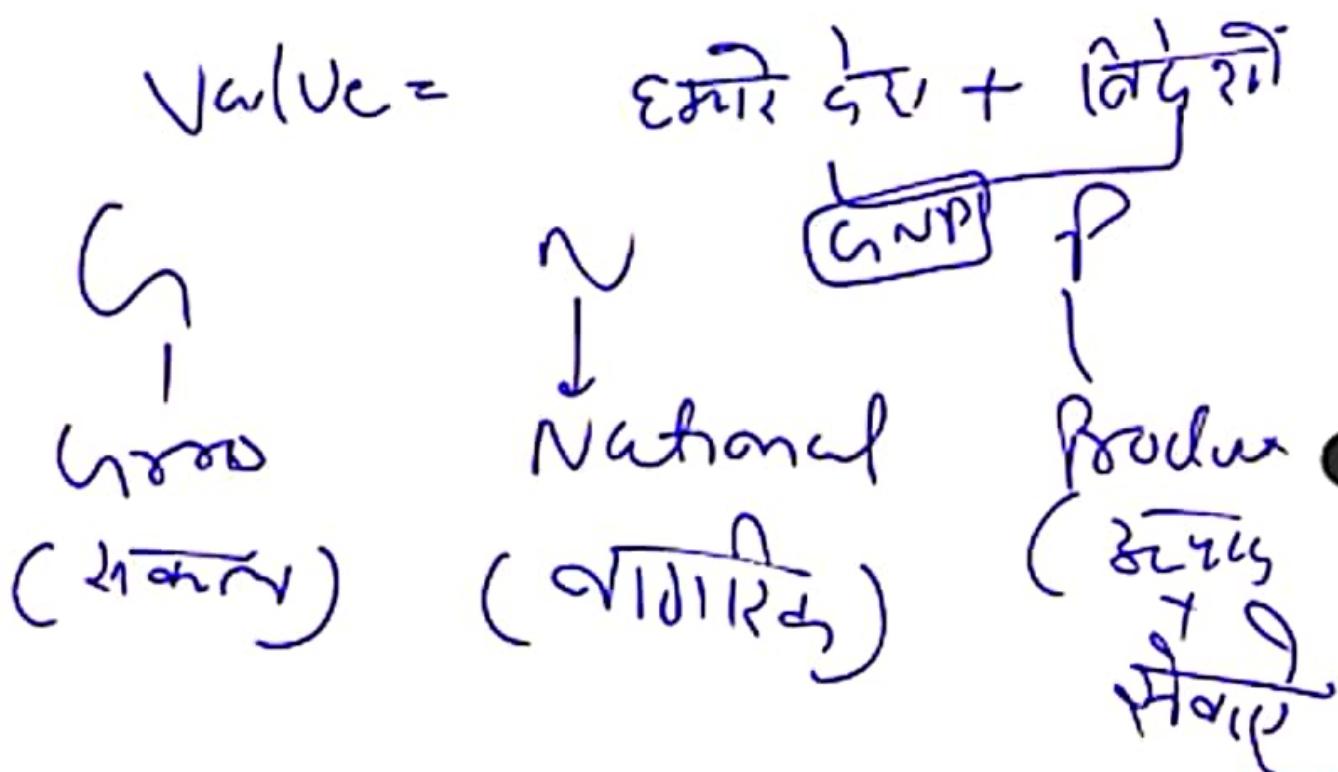
It is the market value of everything that is produced by Nationals of a country both inside and outside the country's territory.

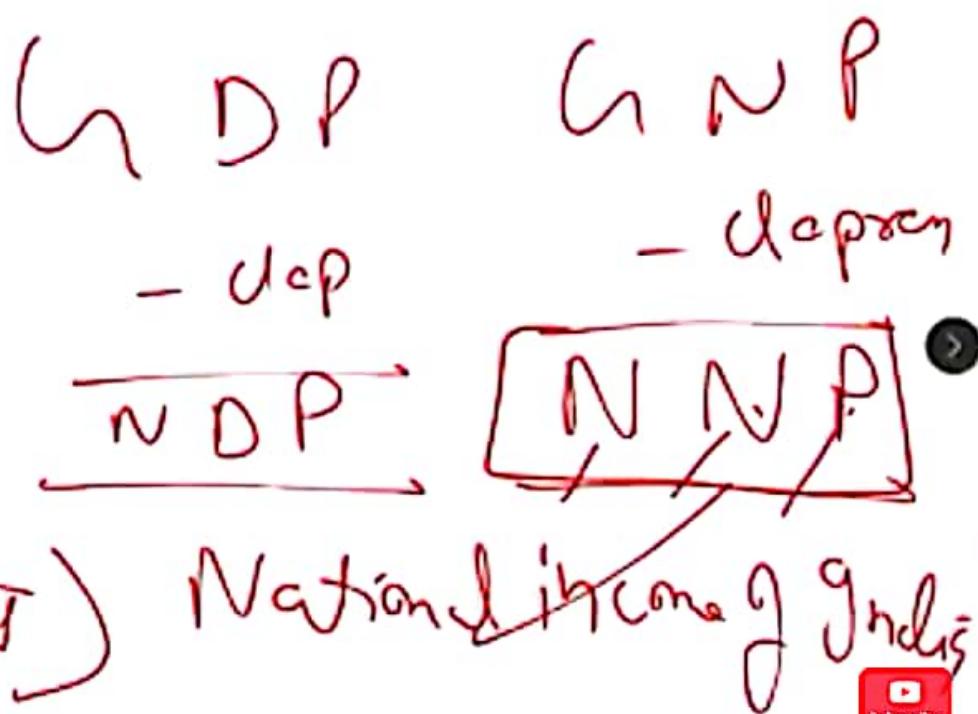
- जब मूल्यहास जिसे निश्चित पूँजी की खपत के रूप में भी जाना जाता है, को जीडीपी से घटा दिया जाता है तो इसे नेट डोमेस्टिक प्रोडक्ट कहा जाता है।
- एनडीपी = जीडीपी - मूल्यहास

सकल राष्ट्रीय उत्पाद (G.N.P.): सकल राष्ट्रीय उत्पाद को एक वर्ष में उत्पादित सभी अंतिम वस्तुओं और सेवाओं के कुल बाजार मूल्य के रूप में परिभाषित किया गया है।

- यह उन सभी चीजों का बाजार मूल्य है जो किसी देश के नागरिकों द्वारा देश के क्षेत्र के अंदर और बाहर दोनों के लिए उत्पादित की जाती हैं।







(संक्षेप जाय) National Income of India

$$\frac{NNP}{\text{Total population}} = \frac{\text{राष्ट्रीय आप}}{\text{जनसंख्या}}$$

$$\rightarrow PPJ / \text{प्रति व्यक्ति आप}$$



$$\boxed{NNP(\delta c)} = NNP$$

→ अनुदान
+ Subsidy



$\ln NP = \ln DP + \text{Income}$
from
abroad
(तिन्दूरी पूळ)



Which Ministry is responsible for calculating GDP in India?

Ministry of Finance

Ministry of Commerce and Industry

Ministry of Central Statistical and Program Implementation

Ministry of consumer Affairs

भारत में जाड़ापा का गणना का १९५ कौन सा मंत्रालय जिम्मेदार है?

वित्त मंत्रालय

शिक्षा और उद्योग मंत्रालय

विदेशी सांख्यिकी और कार्यक्रम

विनियन मंत्रालय

सभोक्ता मामलों का मंत्रालय





Which sector contributes the most to India's economy?

Service sector

Manufacturing sector

Agricultural sector

All of these

भारत की अर्थव्यवस्था में किस क्षेत्र का सर्वाधिक योगदान है?

सेवा क्षेत्र

निर्माण क्षेत्र

कृषि क्षेत्र

ये सभी



Consider the following statements and identify the right ones.

- .. National income is the monetary value of all final goods and services produced.
- .. Depreciation is deducted from gross value to get the net value only
- only
- both
- none

निम्नलिखित कथनों पर विचार करें और सही की पहचान करें।

राष्ट्रीय आय उत्पादित सभी अंतिम वस्तुओं और सेवाओं का मौद्रिक मूल्य है।

निवल मूल्य प्राप्त करने के लिए सकल मूल्य से मूल्यहास काटा जाता है

केवल 1

केवल 2

दोनों

कोई नहीं



The net value of GDP after
deducting depreciation is

Net national product

Net domestic product

Gross national product

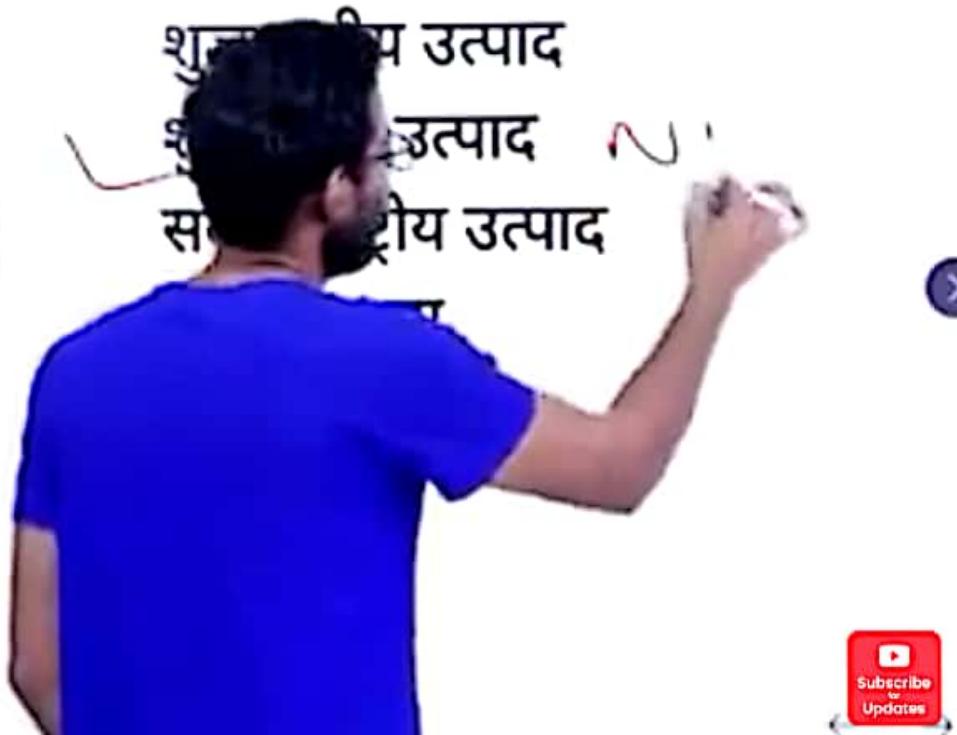
Disposable income

जाड़ापा से मूल्यह्रास घटान के
बाद प्राप्त मूल्य है

शुद्ध अन्तर्राष्ट्रीय उत्पाद

शुद्ध अन्तर्राष्ट्रीय उत्पाद

संघर्षित्रीय उत्पाद



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When depreciation is deducted from GNP, the net value is

Net national product

Net domestic product

Gross national product

Disposable income

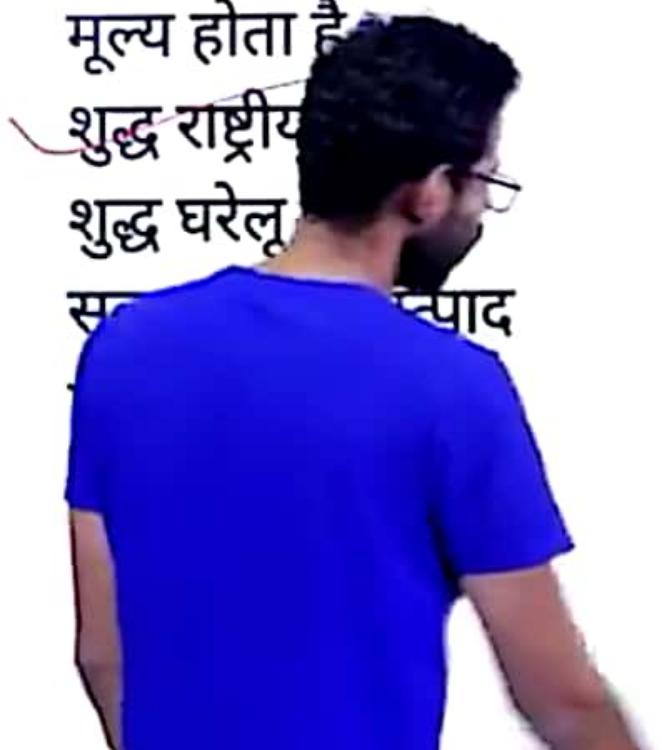
NNP

जब मूल्यहास का जाएनपा सघटा दिया जाता है, तो प्राप्त मूल्य होता है

शुद्ध राष्ट्रीय

शुद्ध घरेलू

संगठित विद्याद



The average income of the country is

Per capita income

Disposable income

Inflation rate

Real national income

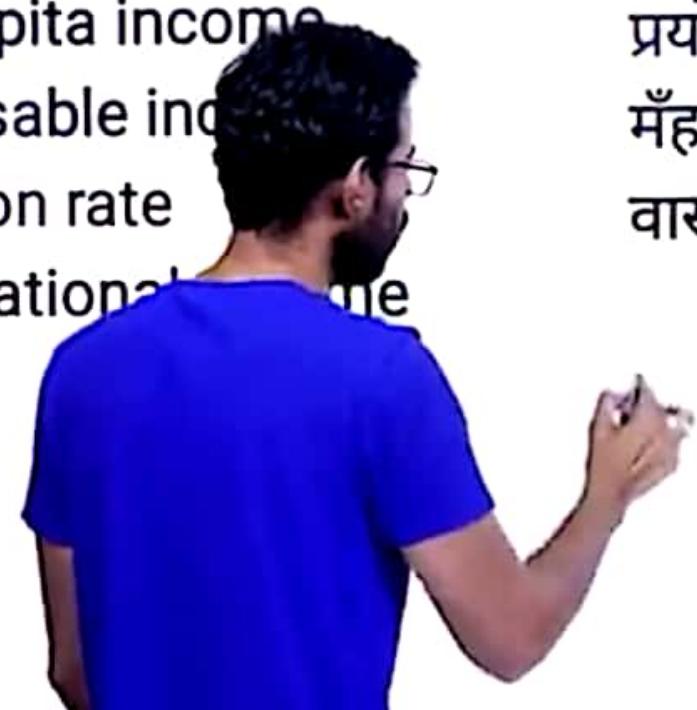
दर्शक का आसत आय हाता है

प्रति व्यक्ति आय

प्रयोज्य आय

मँहगाई दर

वास्तविक राष्ट्रीय आय



What is the financial year in भारत में वित्तीय वर्ष होता है?

- India?
- 31 March to 1 April
- April to 31 March
- July to 31 June
- August to 31 July

31 मार्च से 1 अप्रैल

अप्रैल से 31 मार्च

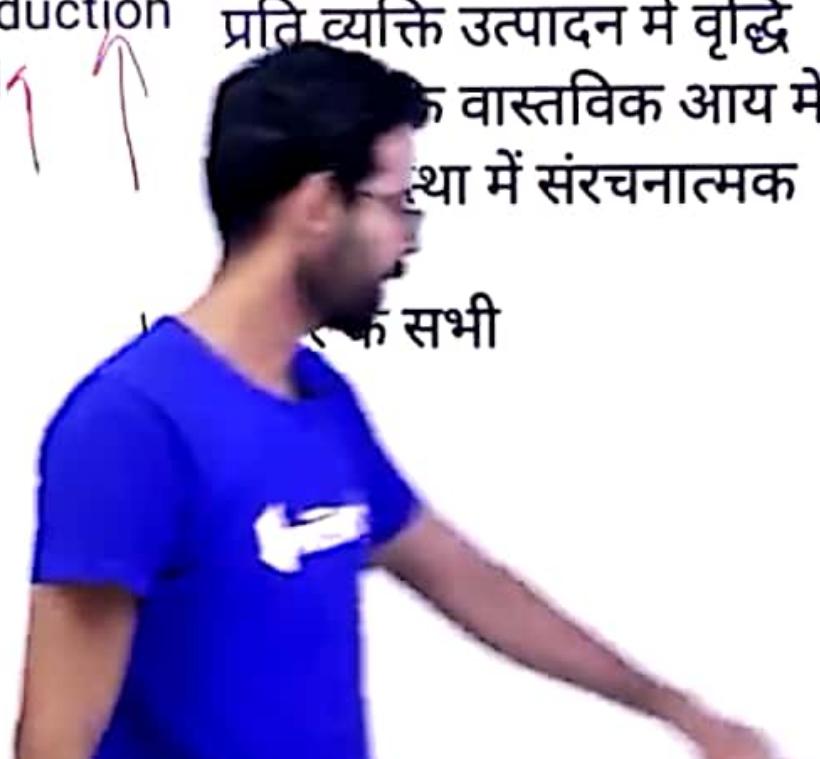
जुलाई से 31 जून

अगस्त से 31 जुलाई



Which of the following explains the term economic growth?

- Increase in per capita production
- Increase in per capita real income
- Structural change in the economy
- All of the above



नमालाखत में से कान आधक विकास शब्द की व्याख्या करता है?
प्रति व्यक्ति उत्पादन में वृद्धि
प्रति व्यक्ति वास्तविक आय में वृद्धि
स्था में संरचनात्मक

क सभी



The national income of a country is-

Government annual revenue

Total productive income

Surplus of the public sector enterprise

Export–Import

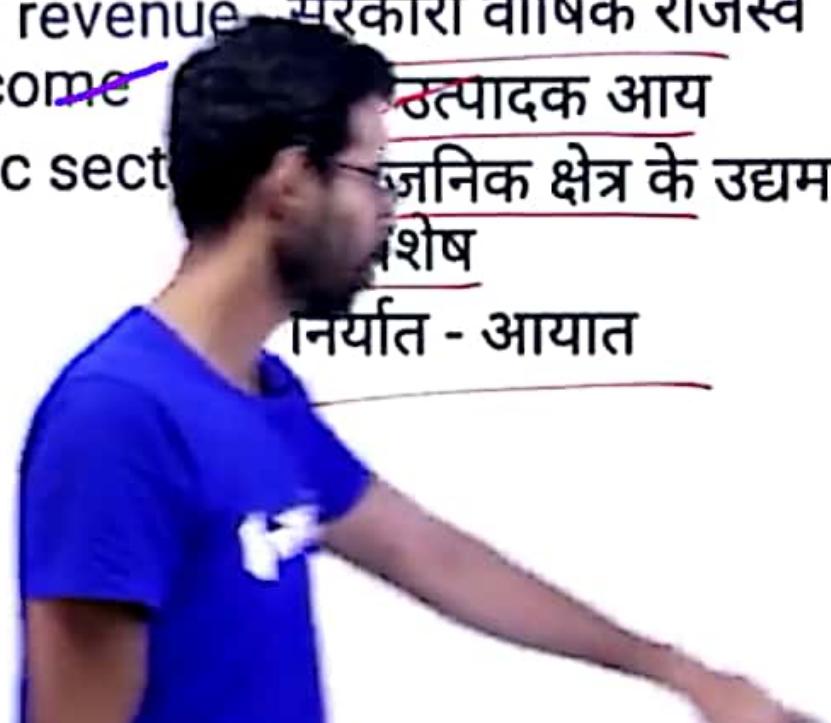
किसी दश का राष्ट्राय आय हाता है-

सरकारी वार्षिक राजस्व

उत्पादक आय

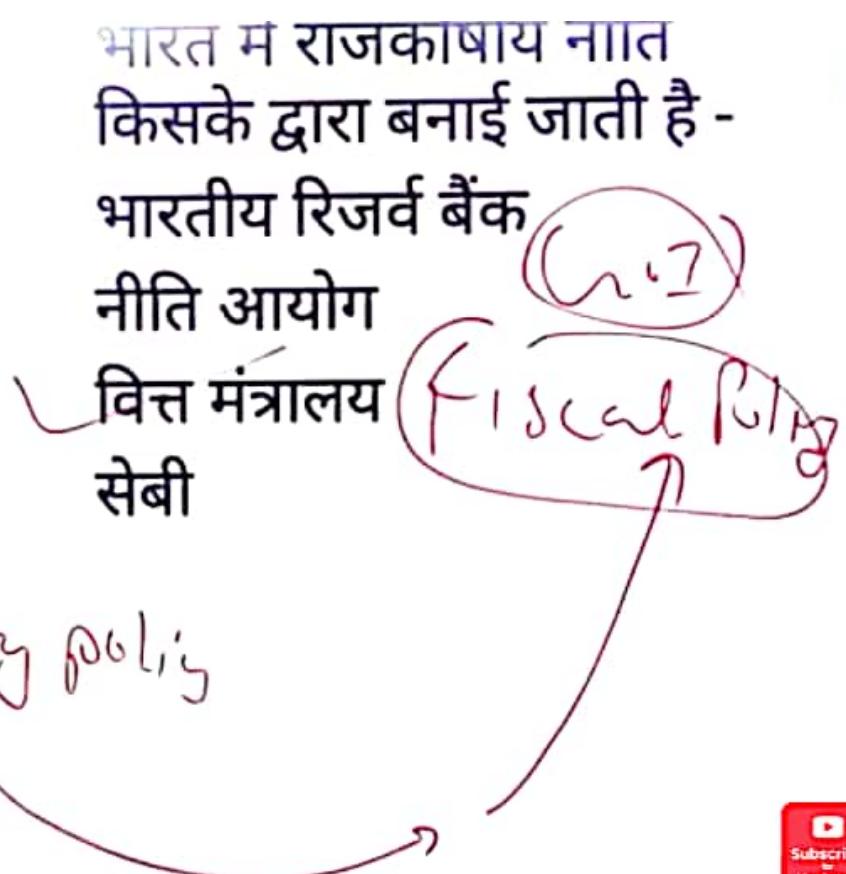
जनिक क्षेत्र के उद्यम का अवशेष

निर्यात - आयात



Fiscal policy in India is
formulated by -
Reserve Bank of India
NITI Ayog
Finance Ministry
SEBI

RBI



The concept of economic planning in India is derived from the Russia (then USSR).

India has launched 12 five year plans so far.

First five year plan was launched in 1951.

Now the present NDA government has stopped the formation of five year plans.

So 12th five year plan would be called the last five year plan of India.

The decades-old Five-Year Plans will make way for a three-year action plan, which will be part of a seven-year strategy paper and a 15-year vision document. The Niti Aayog, which has replaced the Planning Commission, is launching a three-year action plan from April 1, 2017.

First Five Year Plan:

- I. It was made for the duration of 1951 to 1956.
- II. It was based on the Harrod-Domar model.
- III. Its main focus was on the agricultural development of the country.
- IV. This plan was successful and achieved growth rate of 3.6% (more than its target)

Second Five Year Plan:

- I. It was made for the duration of 1956 to 1961.
- II. It was based on the P.C. Mahalanobis Model.
- III. Its main focus was on the industrial development of the country.
- IV. This plan was successful and achieved growth rate of 4.1%

द्वितीय
• I. इसका
लिया गया
• यह अपने
आवासों
• इसका नियन्त्रण

Third Five Year Plan:

- I. It was made for the duration of 1961 to 1966.
- II. This plan is called 'Gadgil Yojna' also.
- III. The main target of this plan was to make the economy independent and to reach self active position of take off.
- IV. Due to china war, this plan could not achieve its growth target of 5.6%

Plan Holiday:

- I. The duration of plan holiday was from 1966 to 1969.
- II. The main reason behind the plan holiday was the Indo-Pakistan war & failure of third plan.
- III. During this plan annual plans were made and equal priority was given to agriculture its allied sectors and the industry sector.

Fourth Five Year Plan:

- I. Its duration was from 1969 to 1974.
- II. There were two main objective of this plan i.e. growth with stability and progressive achievement of self reliance.
- III. During this plan the slogan of "Garibi Hatao" is given during the 1971 elections by Indira Gandhi.
- IV. This plan failed and could achieve growth rate of 3.3% only against the target of 5.7

Fifth Five Year Plan:

- I. Its duration was 1974 to 1979.
- II. In this plan top priority was given to agriculture, next came to industry and mines.
- III. Overall this plan was successful which achieved the growth of 4.8% against target of 4.4%.
- IV. The draft of this plan prepared and launched D.P. Dhar. This plan was terminated in 1979

- Rolling Plan: This plan was started with an annual plan for 1978-79 and as a continuation of the terminated fifth year plan.

Sixth Five Year Plan:

- I. Its duration was from 1980 to 1985.
- II. The basic objective of this plan was poverty eradication and technological self reliance.
- III. It was based on investment yojna, infrastructural changing and trend to growth model.
- IV. Its growth target was 5.2% but it achieved 5.7%.

Seventh Five Year Plan:

- I. Its duration was from 1985 to 1990.
- II. Objectives of this plan include the establishment of the self sufficient economy, opportunities for productive employment.
- III. For the first time the private sector got the priority over public sector.
- IV. Its growth target was 5.0% but it achieved 6.0%.

- Annual Plans: Eighth five Plan could not take place due to volatile political situation at the centre. So two annual programmes are formed in 1990-91 & 1991-92.

Eighth Five Year Plan:

- I. Its duration was from 1992 to 1997.
- II. In this plan the top priority was given to development of the human resources i.e. employment, education, and public health.
- III. During this plan Narasimha Rao Govt. launched New Economic Policy of India.
- IV. This plan was successful and got annual growth rate of 6.8% against the target of 5.6%.

Ninth Five Year Plan:

- I. Its duration was from 1997 to 2002.
- II. The main focus of this plan was "growth with justice and equity".
- III. It was launched in the 50th year of independence of India.
- IV. This plan failed to achieve the growth target of 7% and only at the rate of 5.6%.

नौवीं पंचवर्षीय योजना:

- I. इसकी अवधि 1997 से 2002 तक थी।
- इस योजना का मुख्य फोकस "न्याय और इक्विटी के साथ विकास" था।
- यह भारत की स्वतंत्रता के 50 वें वर्ष में शुरू किया गया था।
- यह योजना 7% के विकास लक्ष्य को प्राप्त करने में विफल रही और केवल 5.6% की दर से बढ़ी।



Tenth Five Year Plan:

- I. Its duration was from 2002 to 2007.
- II. This plan aims to double the per capita income of India in the next 10 years.
- III. It aims to reduce the poverty ratio 15% by 2012.
- IV. Its growth target was 8.0% but it achieved only 7.2%.

Eleventh Five Year Plan:

- I. Its duration was from 2007 to 2012.
- II. It was prepared by the C. Rangarajan.
- III. Its main theme was “faster and more inclusive growth”
- IV Its growth rate target was 8.1% but it achieved only 7.9%

Twelfth Five Year Plan:

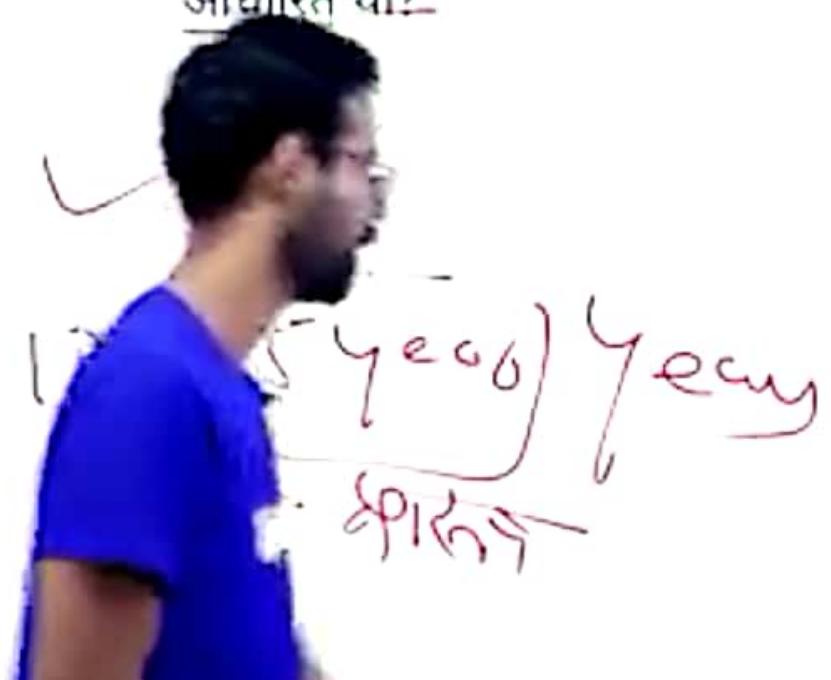
- I. Its duration is from 2012 to 2017.
- II. Its main theme is "Faster, More Inclusive and Sustainable Growth".
- III. Its growth rate target is 8%.



Which of the following five year plan was based on the P.C. Mahalanobis Model?

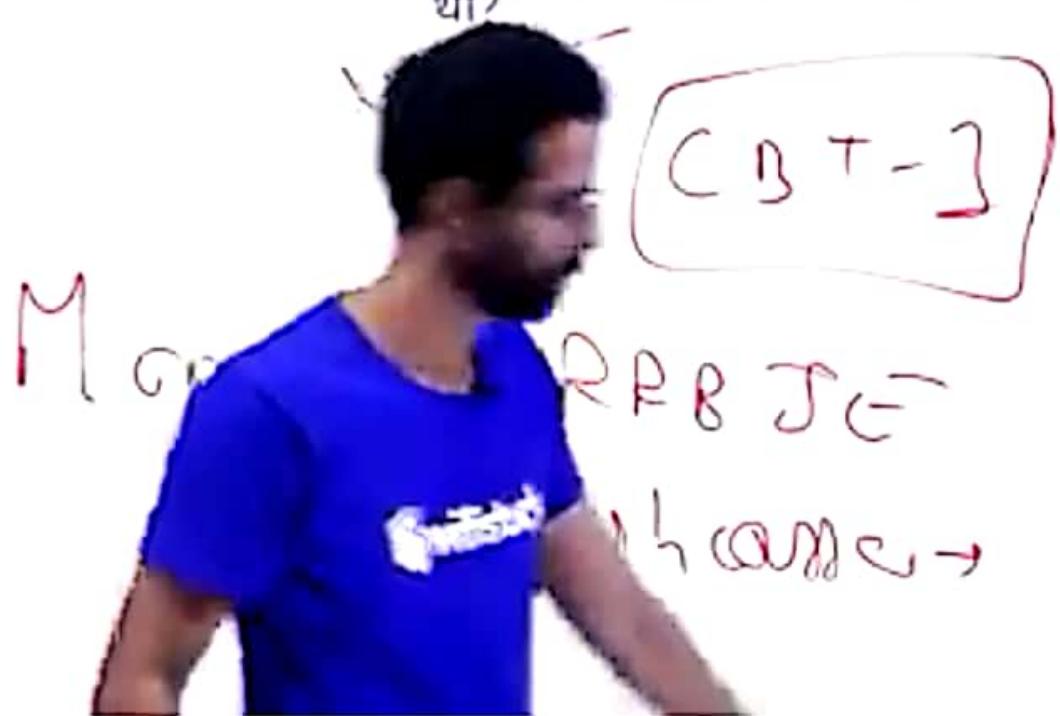
- First
- Second
- Third
- Fourth

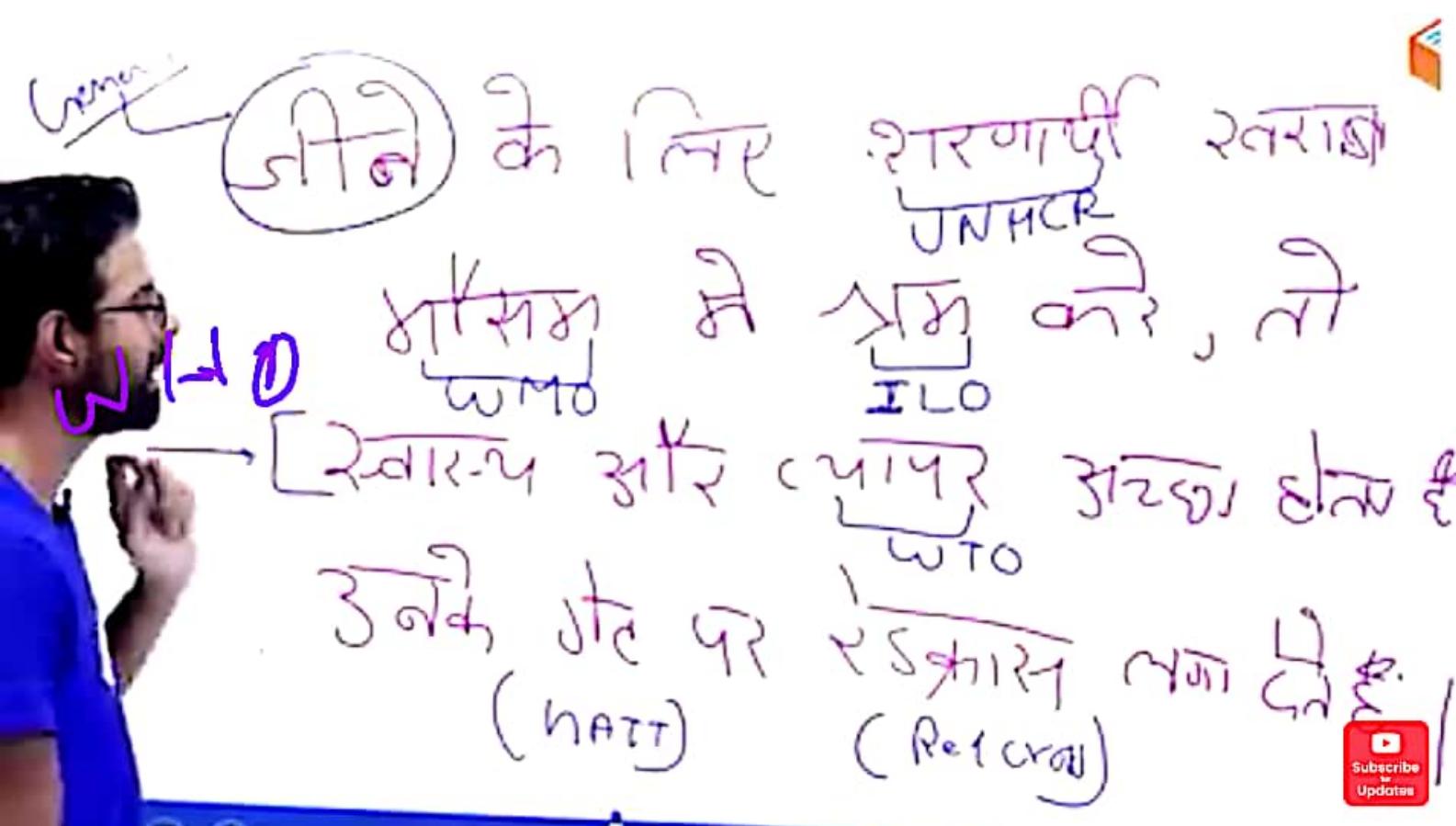
निम्नलिखित में से कौन सी पंचवर्षीय प्रोजना पी सी महालनोबिस मॉडल पर आधारित थीं?



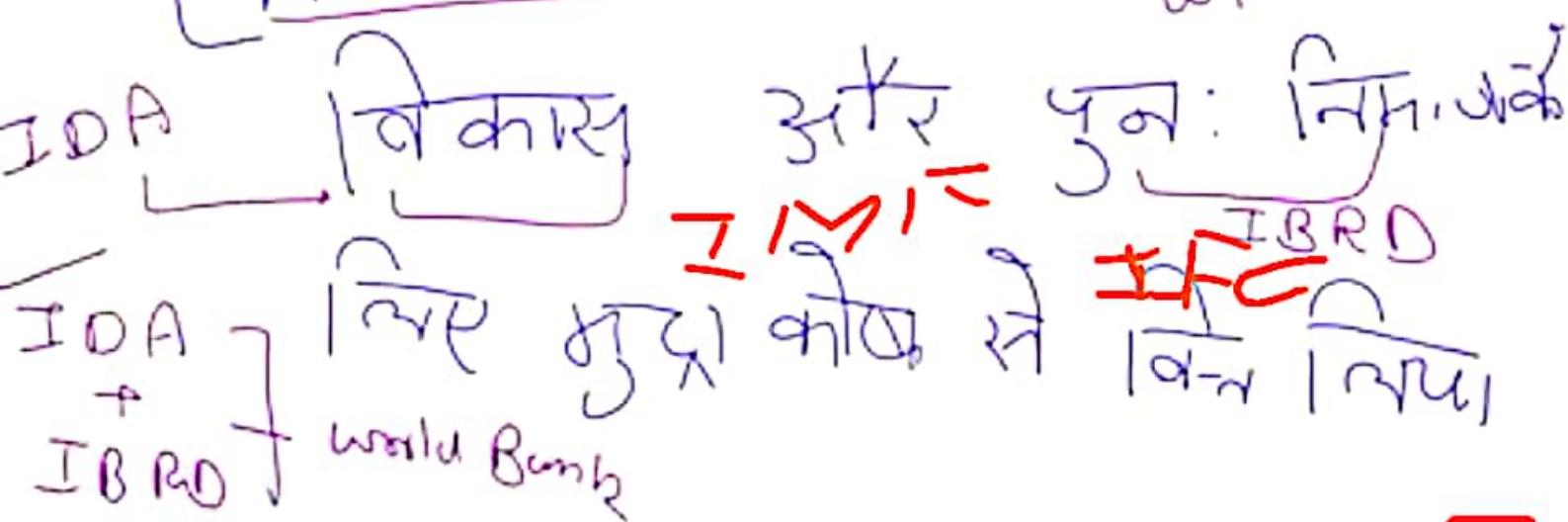
Which of the following five year plan was based on the Harrod-Domar model? निम्नलिखित में से कौन सी पंचवर्षीय योजना हेरोड-डोमर मॉडल पर आधारित थी?

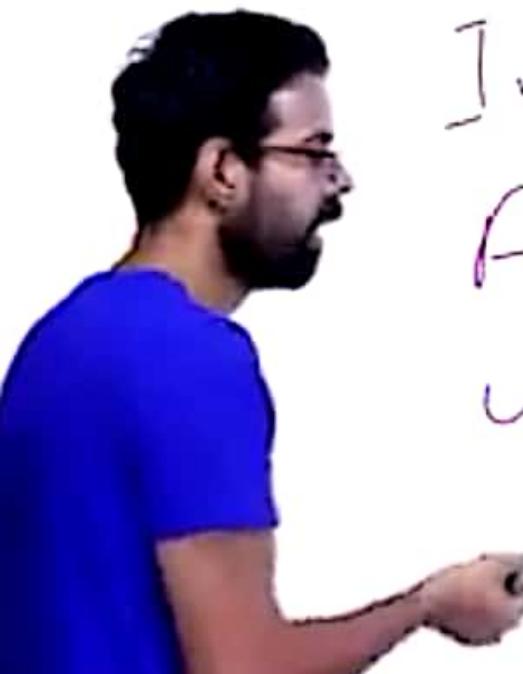
- First
- Second
- Third
- Fourth





[प्रारंभिक जा कर दूरवासा] 34/25





Indecpol → France (Pno)

ADB → ~~संस्कृत~~

WWF → **GLAND**



Kathmandu

NATO → Brussels.

WICJ → Hague (Holland)

UNICEF → New York

UNESCO → Paris (Adress)

SAARC →



BIMSTAC → Dhaka

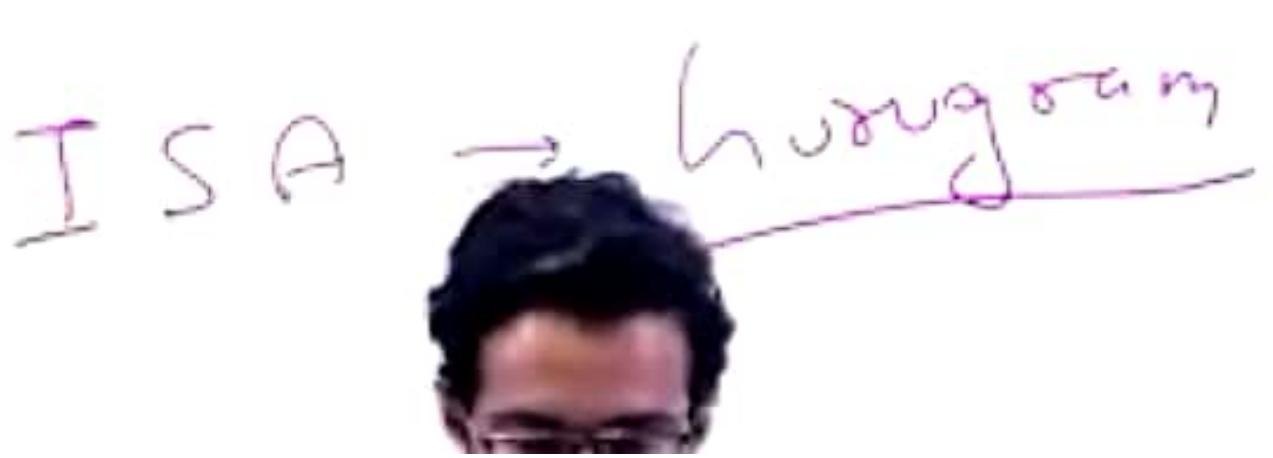
UNEP → নুরকী (কাশুই)

IOC → পুরাণ (সুৰ)

ASEAN → Jakarta

FAO → Rome





- The tax structure in India is divided into direct and indirect taxes.
- While direct taxes are levied on taxable income earned by individuals and corporate entities, the burden to deposit taxes is on the assesses themselves.
- On the other hand, indirect taxes are levied on the sale and provision of goods and services respectively and the burden to collect and deposit taxes is on the sellers instead of the assesses directly.

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- Taxes in India are levied by the Central Government and the State Governments. Some minor taxes are also levied by the local authorities such as the Municipality and the Local Governments.
- Over the last few years, the Central and many State Governments have undertaken various policy reforms and process simplification towards great predictability, fairness and automation. This has consequently lead to India's meteoric rise to the top 100 in the World Bank's Ease of Doing Business (EoDB) ranking in 2017.
- The Goods & Services Tax (GST) reform is one such reform to ease the complex multiple indirect tax regime in India.
- भारत में कर केंद्र सरकार और राज्य सरकार द्वारा लगाया जाता है। कुछ छोटे कर भी स्थानीय अधिकारियों जैसे नगर पालिका और स्थानीय सरकारों द्वारा लगाए जाते हैं।
- पिछले कुछ वर्षों में, केंद्र और कई राज्य सरकारों ने विभिन्न नीतिगत सुधार किए हैं और महान पूर्वानुमान, निष्पक्षता और स्वचालन के प्रति सरलीकरण की प्रक्रिया की है। इसके परिणामस्वरूप 2017 में विश्व बैंक की ईज ऑफ ड्राइंग बिजनेस (ईओडीबी) रैंकिंग में भारत का उल्लेखनीय 100 शीर्ष हो गया है। (17-19)
- गुड्स एंड सर्विसेज टैक्स (GST) सुधार भारत में जटिल कई अप्रत्यक्ष कर व्यवस्था को कम करने के लिए किया गया एक ऐसा ही सुधार है।



- GST is one of the biggest indirect tax reforms in the Country.
 - GST is a comprehensive indirect tax levied on manufacture, sale and consumption of goods as well as services at the national level. It has replaced all indirect taxes levied on goods and services by the Central and State Governments.
 - GST regime was implemented from 1st July 2017, and India has adopted the dual GST model in which both the Centre and States levy taxes:
- जीएसटी देश में सबसे बड़े अप्रत्यक्ष कर सुधारों में से एक है।
 - जीएसटी राष्ट्रीय स्तर पर सेवाओं के साथ-साथ वस्तुओं के निर्माण, बिक्री और उपभोग पर लगाया गया एक व्यापक अप्रत्यक्ष कर है। इसने केंद्र और राज्य सरकारों द्वारा वस्तुओं और सेवाओं पर लगाए गए सभी अप्रत्यक्ष करों को बदल दिया है।
 - जीएसटी शासन 1 जुलाई 2017 से लागू किया गया था, और भारत ने दोहरे जीएसटी मॉडल को अपनाया है जिसमें केंद्र और राज्य दोनों कर लगाते हैं:



**State
GST**

A pink circle containing the text "State GST".

**Central
GST**

A yellow circle containing the text "Central GST".

**Integrated
GST**

A yellow circle containing the text "Integrated GST".

- In the year 2000, the then Prime Minister introduced the concept of GST and set up a committee to design a GST model for the country. In 2003, the Central Government formed a taskforce on Fiscal Responsibility and Budget Management, which in 2004 recommended GST to replace the existing tax regime by introducing a comprehensive tax on all goods and services replacing Central level VAT and State level VATs.
 - It recommended replacing all indirect taxes except the customs duty with value added tax on all goods and services with complete set off in all stages of the value chain.
- 20/2
- वर्ष 2000 में, तत्कालीन प्रधान मंत्री ने जीएसटी की अवधारणा को पेश किया और देश के लिए एक जीएसटी मॉडल तैयार करने के लिए एक समिति का गठन किया। 2003 में, केंद्र सरकार ने राजकार्यीय उत्तरदायित्व और बजट प्रबंधन पर एक कार्यबल का गठन किया, जिसने 2004 में केंद्रीय स्तर के वैट और राज्य स्तर के VAT की जगह सभी वस्तुओं और सेवाओं पर एक व्यापक कर पेश करके GST की सिफारिश की।
 - इसने सभी वस्तुओं और सेवाओं पर मूल्य वर्धित करने के साथ सभी अप्रत्यक्ष करों को बदलने की सिफारिश की, जो मूल्य श्रृंखला के सभी चरणों में पूर्ण सेट ऑफ के साथ थे।



- The constitution Amendment Bill was passed by the Lok Sabha in May, 2015.
- The Bill with certain amendments was finally passed in the Rajya Sabha and thereafter by the Lok Sabha in August, 2016. Further, the Bill has been ratified by the required number of States and has since received the assent of the President on 8th September, 2016 and has been enacted as the 101st Constitution Amendment Act, 2016.
- The GST Council has also been notified w.e.f. 12th September, 2016. GST Council is being assisted by a Secretariat.
- संविधान संशोधन विधेयक मई, 2015 में लोकसभा द्वारा पारित किया गया था।
कुछ संशोधनों के साथ विधेयक को अंततः राज्यसभा में पारित किया गया था और उसके बाद अगस्त, 2016 में लोकसभा द्वारा पारित किया गया था। इसके अलावा, विधेयक को आवश्यक संख्या द्वारा अनुमोदित किया गया है। राज्यों और बाद में 8 सितंबर, 2016 का राष्ट्रपति की सहमति प्राप्त हुई और 101 वें संविधान संशोधन अधिनियम, 2016 के रूप में अधिनियमित किया गया है।
- जीएसटी परिषद को भी अधिसूचित किया गया है १२ सितंबर २०१६ जीएसटी परिषद को एक सचिवालय द्वारा सहायता प्रदान की जाती है



- The Goods and Service Tax Council (hereinafter referred to as, "GSTC") comprises of the Union Finance Minister, the Minister of State(Revenue) and the State Finance Ministers to recommend on the GST rate, exemption and thresholds, taxes to be subsumed and other matters. One-half of the total number of members of GSTC form quorum in meetings of GSTC.
- Decision in GSTC are taken by a majority of not less than three-fourth of weighted votes cast. Centre has one-third weightage of the total votes cast and all the states taken together have two-third of weightage of the total votes cast.
- गुडस एंड सर्विस टैक्स काउंसिल (बाबू में, जिसे "GSTC" कहा जाता है) में केंद्रीय वित्त मंत्री, राज्य मंत्री (राजस्व) और राज्य के वित्त मंत्री शामिल होते हैं, ताकि GST की दर, छूट और थ्रेसहोल्ड पर टैक्स लगाया जा सके। और अन्य मामले। GSTC के कुल सदस्यों की संख्या का आधा हिस्सा GSTC की बैठकों में कोरम के रूप में है।
- जीएसटीसी में निर्णय तीन-चौथाई से कम वेटेड वोटों के बहुमत से लिया जाता है। केंद्र के पास डाले गए कुल वोटों का एक तिहाई वेटेज है और सभी राज्यों को मिलाकर कुल वोटों का दो-तिहाई वेटेज है।

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- The salient features of GST are as under:
- (i) GST is applicable on 'supply' of goods or services as against the present concept on the manufacture of goods or on sale of goods or on provision of services.
- (ii) GST is based on the principle of destination-based consumption taxation as against the present principle of origin-based taxation.
- (iii) It is a dual GST with the Centre and the States simultaneously levying tax on a common base. GST to be levied by the Centre would be called Central GST(CGST) and that to be levied by the States would be called State GST (SGST).

• GST की मुख्य विशेषताएं इस प्रकार हैं:

- (i) ~~जीएसटी कर्त्तव्यों या सेवाओं के आपूर्ति पर लागू होता है, जैसा कि माल के निमणि पर या मौल की विक्री पर या सेवाओं के प्रावधान पर वर्तमान अवधारणा के खिलाफ है।~~
- (ii) ~~जीएसटी गंतव्य-आधारित उपभोग कराधान के सिद्धांत पर आधारित है, जो मूल-आधारित कराधान के वर्तमान सिद्धांत के खिलाफ है।~~
- (iii) ~~यह केंद्र और राज्यों के साथ एक समान आधार पर कर लगाने पर एक दोहरी GST है। केंद्र द्वारा लगाए जाने वाले जीएसटी को केंद्रीय जीएसटी (सीजीएसटी) कहा जाएगा और राज्यों द्वारा लगाया जाने वाला राज्य जीएसटी (एसजीएसटी) कहा जाएगा।~~



- (iv) An Integrated GST (IGST) would be levied on inter-state supply (including stock transfers) of goods or services. This shall be levied and collected by the Government of India and such tax shall be apportioned between the Union and the States in the manner as may be provided by Parliament by Law on the recommendation of the GST Council.
 - (v) Import of goods or services would be treated as inter-state supplies and would be subject to IGST in addition to the applicable customs duties.
 - (vi) CGST, SGST & IGST would be levied at rates to be mutually agreed upon by the Centre and the States. The rates would be notified on the recommendation of the GST Council.
- (iv) एक एकोकृत जीएसटी (IGST) माल या सेवाओं की अंतर-राज्य आपूर्ति (स्टॉक ट्रांसफर सहित) लगाया जाएगा। यह भारत सरकार द्वारा लगाया और एकत्र किया जाएगा और इस तरह के कर को जीएसटी परिषद की सिफारिश पर कानून द्वारा संसद द्वारा प्रदान किए गए तरीके से संघ और राज्यों के बीच लागू किया जाएगा।
- (v) वस्तुओं या सेवाओं के आयात को अंतर-राज्य आपूर्ति के रूप में माना जाएगा और लागू सीमा शुल्क के अतिरिक्त IGST के अधीन होगा।
- (vi) केंद्र और राज्यों द्वारा पारस्परिक रूप से सहमत होने के लिए CGST, SGST और IGST दरों पर लगाया जाएगा। दरों को जीएसटी परिषद की सिफारिश पर अधिसूचित किया जाएगा।

(vii) GST would replace the following taxes currently levied and collected by the Centre:-

- a) Central Excise Duty
- b) Duties of Excise (Medicinal and Toilet Preparations)
- c) Additional Duties of Excise (Goods of Special Importance)
- d) Additional Duties of Excise (Textiles and Textile Products)
- e) Additional Duties of Customs (commonly known as EVD)
- f) Special Additional Duty of Customs(SAD)
- g) Service Tax
- h) Cesses and surcharge in so far as they relate to supply of goods and services

(c) s
surcharge



(viii) State taxes that would be ~~subsumed~~ within the GST are :

- a) State VAT
- b) Central Sates Tax
- c) Purchase Tax
- d) Luxury Tax
- e) Entry Tax (All forms)
- f) Entertainment Tax and Amusement Tax (except those levied by the local bodies)
- g) Taxes on advertisements
- h) Taxes on lotteries, betting and gambling
- i) State cesses and surcharges in so far as they relate to supply of goods and services

GST



- Adoption of four slabs tax rate structure of 5%, 12%, 18% and 28%. In addition, there would be a category of exempt goods and further a cess would be levied on certain goods such as luxury cars, aerated drinks, pan masala and tobacco products, over and above the rate of 28% for payment of compensation to the states.
- GST rates on majority of items were approved at the 14th GST Council meeting held at Srinagar on 18th and 19th of May 2017.
- At the 15th GST Council meeting held at New Delhi on 3rd June 2017, tax rates on the remaining goods were approved.

- Here 21 key facts related to the Goods and Services Tax (GST) are given to the aspirants.
- 1. The Goods and Services Tax (GST) was first implemented in France.
- 2. India's GST is based on the Canadian model.
- 3. GST in India was made on the recommendation of Vijay Kelkar Committee.
- 4. GST in India was implemented on July 1, 2017
- 5. The first state which implemented the GST was Assam.
- 6. Amitabh Bachchan has been made the brand ambassador of GST.

- 7. GST has been implemented under Article 279 of the Indian constitution.
- 8. GST Council was formed by the President of India in September 2016.
- 9. At present Finance Minister Arun Jaitley is the Chairman of the GST Council.
- 10. At present GST Council has 31 members.
- 11. GST has been implemented by the 101st Constitution Amendment Act, 2016.
- 12. The GST was the 122nd constitutional amendment bill to be introduced in the Parliament of India.

- 13. The President of India approved GST bill on 8th September 2016.
- 14. During passing of GST bill in parliament; 336 votes casted in the favour of GST bill and 11 votes were against it.
- 15. There is a provision of 5 years imprisonment for those who do not pay GST.
- 16. There are 5 rates of taxes in GST i.e. 0%, 5%, 12%, 18% and 28%.

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 - 16. There are 5 rates of taxes in GST i.e. 0%, 5%, 12%, 18% and 28%.

GST

Raw Materials (inclusive of 10% tax)	100
Value Added	30
Gross Value	130
- 10% tax (tax set off 10 - 13 - 3)	13

Cost Of Shirt (inclusive of 10% tax)	133
Value Added	20
Gross Value	153
- 10% tax (tax set off 153 - 133 = 20)	15.3

Cost Of Shirt (inclusive of 10% tax)	165.30
Value Added	10
Gross Value	175.30
10% tax	17.53
(tax set off 17.53 - 16.53 = 1.00)	17.53
Total tax paid	30.53

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MANUFACTURERS

PRE VAT

	Raw Materials (inclusive of 10% tax)	100
	Value Added	30
	Gross Value	130
	10% tax	13

WHOLESALER

	Cost Of Shirt (inclusive of 10% tax)	143
	Value Added	20
	Gross Value	163
	10% tax	16.3

RETAILER

	Cost Of Shirt (inclusive of 10% tax)	179.30
	Value Added	10
	Gross Value	189.30
	10% tax	18.9
	Total tax paid	58.23

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208

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Progressive taxes

With a progressive tax, the marginal rate of tax rises as income rises. i.e. as people earn extra income, the rate of tax on each additional pound goes up. This causes a rise in the average rate of tax.

Examples: Income tax (basic and higher rates)

एक प्र
के बढ़
बढ़ जा
लोग उ
हैं, प्रत्य
की दर
है

With a proportional tax,
the marginal rate of tax
is constant leading to a
constant average rate
of tax

Examples: National
insurance contributions
(NICs)

Regressive taxes

With a regressive tax, the rate of tax paid falls as incomes rise – i.e. the average rate of tax is lower for people on higher incomes

Examples: Excise duties on tobacco and alcohol

Lorenz curve

In economics, the Lorenz curve is a graphical representation of the distribution of income or of wealth. It was developed by Max O. Lorenz in 1905 for representing inequality of the wealth distribution.

