

Kerala Syllabus 10th Standard Social Science Solutions Chapter 5 Public Expenditure and Public Revenue

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Kerala State Syllabus 10th Standard Social Science Solutions Chapter 5 Public Expenditure and Public Revenue

Question 1.
Compare developmental expenditure and non-developmental expenditure and give examples for each.

Answer:
Developmental expenditure: The expenditure incurred by the government for developmental activities that will yield further income. Eg: Construction of roads, harbours, establishing educational institutions, etc.

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Non-developmental expenditure: The expenditure of the government for non-developmental activities that will not yield further income.
Eg: Expenses on war, paying pension, etc.

Question 2.
Describe the features of direct tax and indirect tax.
Answer:

Direct Tax	Indirect Tax
Paid by the person on whom it is imposed	Tax imposed on one person and paid by another.
Tax burden is felt by the taxpayer.	Tax burden is not felt by the taxpayer.
Cost of collecting tax is usually high.	Cost of collecting tax is usually low.

Question 3.
What are the important functions of GST Council?
Answer:

- Makes recommendation on taxes, cess and surcharges that are to be merged into GST.
- Makes recommendation on goods and services that are to be brought under GST.
- Determines GST rates.
- Determines the time frame for including the excluded items into GST.
- Determines the tax exemption limit on the basis of total turn over.

Question 4.
Explain with examples public revenue and public expenditure.
Answer:

- The income of the government is known as public revenue. Eg: Taxes, Fines, Grants, etc.
- The expenditure incurred by the government is known as public expenditure. Eg: Distribution of drinking water, defence expenditure.

Question 5.
What are the sources of non-tax revenue?
Answer:

- Fees: Fees is the reward for the government's services. Eg. License fees, registration fees
- Fines and Penalties: Punishments for violating the laws.
- Grants: Financial aid by one government or organisations for meeting specific objectives. Eg. Grants by state government to local self-governments.
- Profit: Income received from public sector enterprises.
- Interest: Amount received for the loans provided by the government to various enterprises and countries.

Question 6.
Rewrite if required.

- Deficit budget: income = expenditure
- Surplus budget: income < expenditure
- Balanced budget: income > expenditure

Answer:

• Deficit budget: expenditure > income
• Surplus budget: expenditure < iricome
• Balanced budget: income = expenditure.

Question 7.
What is fiscal policy? Explain its aims.
Answer:
The policy of the government regarding public revenue, public expenditure and public debt is called fiscal policy. This policy is implemented through the budget.

Aims of fiscal policy:

- Attain economic stability
- Create employment opportunities
- Control unnecessary expenditure
- Control prices.

Question 8.
Public finance and fiscal policy determine a country's progress. Substantiate.
Answer:

Public finance relates to public income, public expenditure and public debt. Public finance is presented through budget. The budget includes activities the government proposes to implement, sources of income and important expenditure items. A balanced budget can ensure national progress.

The policy of the government regarding public revenue, public expenditure and public debt is called fiscal policy. These policies are implemented through the budget. Fiscal policy influences a country's progress. A sound fiscal policy helps in nourishing the developmental activities and attaining growth.

Question 9.
List the activities undertaken by the government for the welfare of the people.
Answer:

- Providing educational facilities
- Providing healthcare facilities
- Enhancing public distribution system
- Distribution of drinking water
- Distribution of pension
- Protection of environment.

Question 10.
Given below is the graph showing the public expenditure of India from 2009-10 to 2015-16.

Answer:

• The public expenditure of 2009 – 10 was ₹1024487 crore. It increased to ₹1777477 crore in 2015-16.
• The rate of increase in 2009-10: $\frac{1107328 - 1024487}{1024487} \times 100\%$
• The rate of increase in 2015-16: $\frac{1777477 - 1107328}{1107328} \times 100\%$

The reasons for increase are

- Defence expenditure
- Increase in population
- Welfare schemes

Question 11.
Which are the sources of public revenue?
Answer:

- Tax revenue
- Non tax revenue.

Question 12.
List the important indirect taxes in India.
Answer:

- Central GST
- Integrated GST
- State GST.

Question 13.
List the taxes imposed by Central, State and Local self governments.
Answer:

Central Government	State Government	Local Self Government
Corporate tax	Land tax	Property tax
Personal income tax	Stamp duty	Professional tax
Central GST	State GST	

Question 14.
Which are the sources of public debt of government?
Answer:

- Internal sources – within the country
- External sources – foreign governments and international institutions

Question 15.
Observe the table indicating internal and external debt of india from 2013-14 to 2015-16.

Year	Internal Debt (In crore)	External Debt (In crore)	Total Debt (In crore)
2013-14	4240766	184580	4425346
2014-15	4775900	194286	4970186
2015-16	5298216	205459	5503675

How much did public debt increase in 2015-16 compared to 2013 -14?
What conclusion can be arrived at while comparing internal debt and external debt?

Answer:

• In 2015-16, the debt increased to ₹ 1078329 crore.
• Internal debt is more than external debt.

Question 16.
Analyse the expenditure of the central government in 2015-16 and write your conclusions.

Items	Expenditure (Rupees in crores)
Interest and repayments	456145
Defence	246727
Subsidies	243811
Grants to states and Union Territories	108552
Pension	88521
Police	51791
Social service (education, health, broadcasting)	29143
Economic service (agriculture, industry, energy, transport, media, science and technology, etc)	28984
Grants to foreign governments	4342
Other public services	30936

Answer:

• The highest expenditure of the central government in 2015-16 was on interest and payment: ₹ 456145 crore.
• Defence expenditure comes second: ₹ 246727 crore.
• Pension expense is ₹ 88521 crore.
• Expenditure on social service is only ₹ 29143 crore.

Question 17.
Observe the diagrams related to the major, income sources of the central budget 2015-16.

- From which item does the central government receive maximum revenue?
- Which is the source of non tax revenue that yields maximum income to the central government?
- Which yields more income to the central government – tax revenue or non-tax revenue?

Answer:

• Corporate tax
• Profit
• Tax revenue

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