

Section (1)

Public Finance (2)

2nd Year 2025/2026

Q1: True or False

1	Public expenditure is spending made by the government for the satisfaction of public goods (or to achieve society goals). ✓
2	Public expenditure has a weak role in the present economic systems. ✗
3	Public expenditure creates a wide and numerous effects in an economy. ✓
4	The nature of public expenditure differs from country to country as per the needs and requirements of the country. ✓
5	In a developed country, Public expenditure has multiplier effect on level of output and employment. ✓
6	In developed country, government has a role to attainment of higher rate of growth with social justice. ✗
7	Classical school was opposed to increasing public expenditure. ✓
8	According to the modern view, the nature and volume of public expenditure can have important effects on the economic life. ✓
9	The traditional view stated "if you want a peaceful government you must reduce the budget". ✓
10	According to The modern view, the state should be restricted to justice, police and arms. ✗
11	Classical economists (Adam Smith and his followers) argued for increased intervention of state in economic activities of nations. ✗
12	The modern view always stood for minimum taxation and minimum expenditure. ✗
13	According to Benefit Criteria, the public expenditure may classified into: Expenditure without any direct return, Expenditure with indirectly beneficial, Expenditure with return. ✗
14	According to Functional Criteria, the public expenditure may classified into: Primary expenditure, Secondary expenditure. ✗
15	According to the Revenue Criteria and Functional Criteria, the Free Education may classified into: Expenditure with return and Developmental Functions. ✗
16	According to the Revenue Criteria and Functional Criteria, building of a

	<p><u>new public hospital</u> may classified into: <u>Expenditure without any return and Protective Functions.</u> X</p>
17	<p>According to the Revenue Criteria and Functional Criteria, <u>Building new roads</u> may classified to <u>Expenditure With indirectly beneficial and Developmental Functions.</u> X</p>
18	<p>According to <u>Functional Criteria</u>, the public expenditure may classify to Primary expenditure, Secondary expenditure. X</p>
19	<p>According to the Revenue Criteria and Functional Criteria, the <u>Free Education</u> may classified to: <u>Expenditure With indirectly beneficial and Developmental Functions.</u> ✓</p>
20	<p>According to the Revenue Criteria and Functional Criteria, <u>Wage and salaries in public sector</u> may classified to: <u>expenditure without any return and Recurrent Functions.</u> X</p>

Q2: MCQs

3-From studying the historical views of public expenditure:

- a) The **modern view** always stood for minimum taxation and minimum expenditure.
- b) In modern times public expenditure has great importance.
- c) According to the modern view, the nature and volume of public expenditure can have important effects on the economic life.
- d) All the above is correct.
- e) B , C are correct .

4-From studying the historical views of public expenditure:

- a) The traditional view always stood for minimum taxation and minimum expenditure.
- b) The traditional view stated " if you want a peaceful government you must reduce the budget "
- c) Public expenditure has acquired great importance in modern times.
- d) All the above is correct.
- e) None of the above

5-According to Benefit Criteria, the public expenditure may classified to:

- a) Expenditure which confers common benefit on all citizens and Expenditure confers special benefit on some persons.
- b) Expenditure without any direct return, Expenditure with indirectly beneficial, Expenditure with return.
- c) Protective expenditure, Developmental Expenditure, Recurrent Expenditure.
- d) Primary expenditure, Secondary expenditure.
- e) None of the above.

6- According to Revenue Criteria, the public expenditure may classified to:

- a) Expenditure which confers common benefit on all citizens and Expenditure confers special benefit on some persons.
- b) Expenditure without any direct return, Expenditure with indirectly beneficial, Expenditure with return.
- c) Protective expenditure, Developmental Expenditure, Recurrent Expenditure.
- d) Primary expenditure, Secondary expenditure.
- e) None of the above.

8- According to Priority Criteria, the public expenditure may classified to:

- a) Expenditure which confers common benefit on all citizens and Expenditure confers special benefit on some persons.
- b) Expenditure without any direct return , Expenditure with indirectly beneficial, Expenditure with return.
- c) Protective Expenditure, Developmental Expenditure , Recurrent Expenditure .
- d) Primary expenditure, Secondary expenditure .
- e) None of the above .

9- Free Education is:

- a) Expenditure with return and Developmental Functions .
- b) Expenditure With indirectly beneficial and Developmental Functions .
- c) Expenditure without any return and Protective Functions .
- d) Expenditure without any return and Recurrent Functions
- e) E- None of the above.

10- Public spending to provide Covid-19 vaccination are:

- a) Expenditure without any return and Recurrent Functions.
- b) Expenditure with return and Developmental Functions
- c) Expenditure With indirectly beneficial and Protective Functions.
- d) Expenditure Without any return and Protective Functions.
- e) None of the above.

11- Debt interest is :

- a) Expenditure without any return and Recurrent Functions.
- b) Expenditure with return and Developmental Functions .
- c) Expenditure without any return and Protective Functions .
- d) Expenditure With indirectly beneficial and Developmental Functions .
- e) E- None of the above .

Best wishes

Rezk Saied