**Household Budget Constraint:-**

(1 +-)+ = [1+ (1-)] + (1-) + xt

Where, consumption tax or GST

subsidy rate

Cs Consumption of s- age individual

savings of individual,

income from other sources + Capital Gains + House Property + Business Income (dividend income will not be included as it is double taxed )

Wage rate (this may not include the professional income)

Heterogeneous ability factor or labor augmenting technology

Income from salary

**Union Government Budget Constraint :-**

++ () = (1+) + +

Where ,

Ht is the accumulated debt of Government of India to Reserve Bank of India , at time period t, major component of High Powered Money.

Ht+1 – Ht = Net borrowing from Reserve Bank of India, Deficit financing factor, important for India,

**Government Debt Constraint:-**

= (1+) + + - – ()

where , = (ħ + 1) , ~~h~~ stands for growth rate of deficit financing and assumed constant irrespective of period of time

So, - = ħ,

= (1+) + + - - ħ

= (1+) + + - - ħ

Where

Transfer

expenditure ratio to GDP

= CIT + PIT + CGST + IGST + Custom Duty + Non Tax Revenue

= [( - ) - 𝛿] + [ + ] +

[ ] + [ proportion of ] + [Fraction or relation b/w Tax revenues]