PUBLIC FINANCE

1. A progressive income tax implies that
    a. the amount of tax falls with a rise in income
    b. the rate of rises with a rise in income
    c. both (a) and (b)
    d. the rate of tax decreases with a rise in income

2. A forward-shifted tax will affect
    a. buyers more than sellers
    b. sellers more than buyers
    c. buyers and sellers equally
    d. government revenues negatively

3. If with the increase in income, the percentage of income collected as tax remains constant, tax will becalled
    a. regressive
    b. progressive
    c. proportional
    d. neutral

4. Tobin tax is a tax on
    a. taxation in the share market
    b. transaction in the money market
    c. transaction on the commodity market
    d. transaction on the foreign exchange market

5. In case of deficit budget, when the deficits are covered through taxes, that budget is called:
    a. unbalanced budget
    b. surplus budget
    c. balanced budget
    d. none of these

6. Wealth tax was abolished in
    a. 2011
    b. 2012
    c. 2014
    d. 2015

7. The greater the elasticity of supply, the greater is
    a. incidence of tax on buyers
    b. incidence of tax on sellers
    c. impact of tax on sellers

d. impact of tax on buyers

8. The ability to pay principle of taxation is logically most consistent with the normative notion of :
    a. tax neutrality
    b. horizontal equity
    c. value – added taxation
    d. vertical equality

9. With a regressive tax, as income
    a. increases, tax rate remains the same
    b. decrease, the tax rate decreases
    c. increases, the tax rate increases
    d. increases, the tax rate decreases

10. The principle of maximum social advantage is concerned with
    a. taxation
    b. expenditure
    c. public debt
    d. both taxation and public expenditure

11. Agriculture income tax is a source of revenue to
    a. central government
    b. state government
    c. local administration
    d. central and state government

12. Octrio is levies and collected by
    a. centre
    b. state government
    c. local bodies
    d. all of the above

13. All taxes come under
    a. capital receipt
    b. revenue receipt
    c. public debt
    d. public expenditure

14. The merit of zero-based budgeting is that
    a. tax liability is reduced
    b. profit go up
    c. deficit financing becomes zero
    d. expenditure is rationalized

Answers

1. (b)	2. (a)	3. (c)	4. (d)	5. (a)	6. (d)	7. (a)	8. (d)
9. (d)	10. (d)	11. (b)	12. (c)	13. (b)	14. (d)		