**(OBJECTIVE)**

**Maximum marks: 20 Time allowed:- NAME:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Roll No:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**NOTE: Overwriting, cutting and erasing is not allowed.**

**Q # 1 Encircle the most appropriate answer: 1\*20=20**

**1 The branches of Public Finance are**

**(a) 2 (b) 3**

**(c) 4 (d) 5**

1. **Which branch of economics studies about Revenue and Expenditure**

**(a) Micro economics (b) Macro economics**

**(c) International trade (d) Public finance**

**3 Cost Benefit Analysis first time used in**

**(a) Agriculture Sector (b) Industrial sector**

**(c)Commerce (d) all of the above**

**4 Deficit Financing refers to**

**(a) Borrow from internal source (b) Print new currency**

**(c) Borrow from external source (d) All of the above**

**5 To achieve economic growth and stabilization govt takes**

**(a) Fiscal measures (b)Both a & c**

**(c) Monetary measures (d) None of these**

**6 Public goods are**

**(a) Libraries (b) Parks**

**(c) roads (d) All of these**

**7 Externalities effect**

**(a) Producer (b) consumer**

**(c) Third party (d) All of the above**

**8 Price mechanism exist in**

**(a) Public goods (b) Private goods**

**(c) both a & b (d) none of the above**

**9 Budget Shows the Financial Position of a**

**(a) Stock Exchange (b)a & c**

**(c) Country (d) none of the above**

**10 Use of economic activity without paying its cost**

**(a) Free Rider (b) satiations**

**(c) consumer (d) none**

**11 The main source of Govt. revenue is**

**(a) Foreign aid (b) service sector**

**(c) both a & b (d) Tax**

1. **The tax which is shifted to other person is**

**(a) direct tax (b) indirect tax**

**(c) both a & b (d) none**

**13 Adam smith present the canons of taxation**

**(a) 4 (b) 8**

**(c) 9 (d) all of the above**

**14 Laffer curve presented in**

**(a) 1970 (b) 1960**

**(c) 1950 (d) 1980**

**15 During inflation the Monetary policy**

**(a) easy (b) normal**

**(c) Strict (d) None of these**

**16 During deflation the Govt expenditure**

**(a) decrease (b) constant**

**(c)increase (d) All of these**

**17 How many kinds of Externalities**

**(a) 2 (b) 3**

**(c) 4 (d) 5**

**18 Keyens was a big supporter of**

**(a) Govt intervention (b) not Govt intervention**

**(c) both a & b (d) none of the above**

**19 Laffer curve shows the relationship b/w**

**(a) Tax base &tax rate (b) tax revenue & tax base**

**(c) Tax revenue & tax rate (d) none of the above**

**20 The tax which is paid directly**

**(a) income tax (b)wealth tax**

**(c) Property tax (d)all of the above**

(SUBJECTIVE)

**Answer the short questions.**

**Q#2**

i Define Public Finance

ii Explain Deficit Budget.

iii Write the source of deficit financing

iv Define the Steps of Cost Benefit Analysis

v Explain duty

vi Differentiate sales tax and excise duty

vii Differentiate b/w direct and indirect tax

viii Define Merit goods

ix Differentiate tax evasion and tax avoidance

x define tax incidence

**Q#3 Explain the Zero Based Budget (ZBB) 10**

**Q#4 Explain the canons of taxation 10**