
Subjective Test – Government Budget

Class: 12

Subject: Economics

Chapter: Government Budget and the Economy

Maximum Marks: 40

Time: 1 Hour

General Instructions:

Attempt all questions.

Marks are indicated against each question.

Use relevant economic terms and diagrams wherever necessary.

HOTS questions are marked separately.

Section A – Very Short Answer Questions (1 mark each)

(Attempt all questions – 1×4 = 4 marks)

1. Define a Government Budget.
2. What is revenue deficit?
3. Give one example of capital expenditure.
4. Define fiscal deficit.

Section B – Short Answer Questions (3 marks each)

(Attempt any four – 3×4 = 12 marks)

5. Distinguish between revenue expenditure and capital expenditure with one exampl each.
6. Explain any three non-tax sources of revenue for the government.
7. Why is fiscal deficit considered a cause of concern for the economy?
8. Explain how the government budget can be used for redistribution of income.
9. Explain the concept of primary deficit. How is it calculated?