

10th Social Science Lesson 22 Questions in English - Economics

4] Government and Taxes

1. Which is levied by government for the development of the state's economy?
 - a) Debt
 - b) Wage
 - c) Tax
 - d) Income
2. The tax that are levied on income of the persons is called _____.
 - a) Direct tax
 - b) Indirect tax
 - c) Montage tax
 - d) Financial tax
3. In India, how many levels of governments are functioning for people and society?
 - a) Two
 - b) Four
 - c) Three
 - d) Seven
4. Which of the following statement is correct?
 - 1) Defence is an essential security function to protect our nation from our enemies.
 - 2) We know that we have four services, namely, army, navy, coast guard and air force.
 - a) Only 1
 - b) Only 2
 - c) Both 1 and 2
 - d) None
5. Who conduct elections to local bodies within the state?
 - a) Union government
 - b) State government
 - c) High court
 - d) Both state and union
6. Which of the following statement is regarding foreign policy is correct
 - 1) In today's world, we need to maintain friendly relationships with all the other countries in the world
 - 2) We should also maintain cordial economic relationships through exports and imports, sending and receiving investments and labour.
 - a) Only 1
 - b) Only 2
 - c) Both 1 and 2
 - d) None
7. The role of government and development policies are divided into how many categories for easy understanding?
 - a) Seven
 - b) Five
 - c) Six
 - d) Nine
8. Which of the following statement is incorrect
 - 1) Both the Union and state governments enact numerous laws to protect our rights, properties and to regulate our economy and society
 - 2) Local governments take the responsibility for administering the police force in respective states.
 - a) Only 1
 - b) Only 2
 - c) Both 1 and 2
 - d) None
9. The Union government, controls money supply and controls the interest rate, inflation and foreign exchange rate through whom?
 - a) Finance Minister
 - b) State Government
 - c) Public Funds
 - d) Reserve Bank of India

10. Which of the following agencies is not used by Union to controls the economy?

- a) Reserve Bank of India
- b) Securities Exchange Board of India
- c) Competition Commission of India.
- d) Monetary Control Board of India

11. Which of the following statement is correct

1) The taxes are collected in a way that the high-income people and low-income people can bring in same tax revenue to the government.

2) Collecting taxes and spending for the poor is how the government redistributes income and introduces measures to reduce poverty

- a) Only 1
- b) Only 2
- c) Both 1 and 2
- d) None

12. Which of the following is the main purpose of taxation?

- a) To improve the economy of individual
- b) To increase Gold reserve of nation
- c) To accumulate funds for the functioning of the government machinery
- d) To fund the corporates and multi-national companies to improve nations investment.

13. The origin of the word "tax" is from which word?

- a) Taxing
- b) Taxation
- c) Taxtimate
- d) Toxim

14. Which new concept brought Tax in forefront?

- a) Financial Growth
- b) Welfare State
- c) Monetary Implement
- d) Financial Explicit

15. Who defines tax as "a compulsory contribution from a person to the government to

defray the expenses incurred in the common interest of all, without reference to special benefits conferred."?

- a) Prof. Seligman
- b) Prof. Haldeman
- c) Friedrich Engels
- d) Karl Marx

16. A government's ability to raise taxes is called _____

- a) Monetary exploding
- b) Financial inflation
- c) Fiscal capacity
- d) Financial exploding

17. When income tax was first introduced in India?

- a) 1951
- b) 1886
- c) 1901
- d) 1860

18. Who introduced income tax in India first?

- a) Sir James Wilson
- b) Robert Clive
- c) Sir warren Hastings
- d) Lord William Bentinck

19. When expenditures exceed tax revenue, what does a government accumulates?

- a) Debt
- b) Inflation
- c) Wages
- d) Salary

20. According to the proponents of the theory of money creation, taxes are not needed for government revenue, as long as _____

- a) The government in question is able to control inflammation
- b) The government in question is able to issue fiat money

- c) The government in question is able to give wages for workers
d) The government in question is able to provide excise duty
21. The characteristics of tax system that economists think should be followed while designing a tax system is known as _____
- a) Bullets of taxation
b) Flames of taxation
c) Canons of taxation
d) Pointer of taxation
22. Which of the following is not the canons of taxation?
- a) Canon of Equity
b) Canon of Liability
c) Canon of Certainty
d) Canon of economic and Convenience
23. Which principle says that the rich should pay more tax revenue to government than the poor, because rich has more ability than the poor to pay the tax?
- a) Certainty principle
b) Equity principle
c) Economic principle
d) Consumer principle
24. Government should announce in advance the tax system so that every tax payer will be able to calculate how much tax amount one may have to pay during a year. The statement comes under which canon of taxation?
- a) Canon of Equity
b) Canon of productivity
c) Canon of Certainty
d) Canon of economic and Convenience
25. Which of the following statement is correct
- 1) If the tax is simple, then the cost of collecting taxes (tax payer cost + tax collector cost) will be very high.
2) Further, tax should be collected from a person at the time he gets enough money to pay the tax. This is called canon of Elasticity.
- a) Only 1
b) Only 2
c) Both 1 and 2
d) None
26. Who defines a direct tax as "one which is demanded from the very persons who it is intended or desired should pay it."?
- a) Adam Smith
b) David Ricardo
c) J. S. Mill
d) John Locke
27. The burden of a which tax cannot be shifted to others?
- a) Direct Tax
b) Indirect Tax
c) Goods and Service Tax
d) All the above
28. Which of the following statement is correct
- 1) Income tax is the most common and most important tax levied on an individual in India. It is charged directly based on the income of a person.
2) Wealth tax is charged on the benefits derived from property ownership. The same property will be taxed once in ten year on its current market value.
- a) Only 1
b) Only 2
c) Both 1 and 2
d) None
29. In India which tire of government collect taxes?
- a) Union Government
b) State Government
c) Local government
d) All the above

30. Which of the following statement is correct

- 1) Taxes on goods and services are collected by both Union and state governments
 - 2) The taxes on properties are collected by local governments.
- a) Only 1
 - b) Only 2
 - c) Both 1 and 2
 - d) None

31. In India we collect more tax revenue through which Tax?

- a) Direct Tax
- b) Indirect Tax
- c) Income Tax
- d) Corporate Tax

32. Indian tax system adheres to which Canon of Taxation in India?

- a) Canon of equity
- b) Canon of productivity
- c) Canon of elasticity
- d) Canon of certainty

33. Which of the following statement is Incorrect

- 1) Corporate tax is levied on companies that exist as separate entities from their shareholders.
 - 2) Foreign companies are not taxed on income that arises or is deemed to arise in India
- a) Only 1
 - b) Only 2
 - c) Both 1 and 2
 - d) None

34. Which of the following statement is incorrect

- 1) Government should choose a few taxes that can fetch more tax revenue, instead of lots of taxes and each one of them getting a little tax revenue. This is canon of Economy.
- 2) Indian tax system adheres to all the canons of taxation. But there are arguments that often the equity principle is compromised and

productivity is lost when we tinker with tax system to the advantage of a few.

- a) Only 1
- b) Only 2
- c) Both 1 and 2
- d) None

35. Which canon of taxation states that "the tax system should be designed in such a way that the people automatically pay more tax revenue if their incomes grow"?

- a) Canon of productivity
- b) Canon of Elasticity
- c) Canon of Economy
- d) Canon of Convenience

36. If the Income of the Indian company is less than 50 crores, then the corporate tax for that company is _____

- a) 40%
- b) 25%
- c) 30%
- d) 35%

37. If the Income of the Indian company is more than 50 crores, then the corporate tax for that company is _____

- a) 40%
- b) 45%
- c) 30%
- d) 35%

38. Which is a tax that is paid on official documents like marriage registration or documents related to a property and in some contractual agreements?

- a) Stamp duty
- b) Excise duty
- c) Registration duty
- d) Mutual duty

39. Which is a duty on manufactured goods levied at the movement of manufacture, rather than at sale?

- a) Stamp duty
b) Excise duty
c) Production duty
d) Mutual duty
40. Which tax can be charged on movie tickets, tickets to amusement parks, exhibitions and even sports events?
a) Stamp duty
b) Excise duty
c) Production duty
d) Entertainment duty
41. When the GST was passed in Parliament in India?
a) 21 March 2017
b) 10 March 2017
c) 29 March 2017
d) 21 March 2018
42. When Goods and Service tax act came into effect?
a) 12 January 2018
b) 1 July 2017
c) 7 September 2017
d) 25 May 2017
43. Which of the following statement is correct
1) Goods and service tax aims to replace all indirect taxes levied on goods and services by the Central and state governments
2) Goods and service tax is also a "Multipoint tax" unlike value-added tax (VAT), which was a one-point tax.
a) Only 1
b) Only 2
c) Both 1 and 2
d) None
44. Which was the first country to implement GST in 1954?
a) USA
b) United Kingdom
c) France
d) Spain
45. Which of the following is not the State Goods and Service Tax (SGST)?
a) Luxury tax
b) Lottery tax
c) Service tax
d) Entertainment tax
46. Tax levied on goods and service in a fixed portion is known as _____
a) Progressive tax
b) Proportionate tax
c) Non-proportionate tax
d) Regressive tax
47. Which of the following is not Central Goods and Service Tax (CGST)?
a) Countervailing duty
b) Additional duty of customs
c) Service tax
d) Farming duty
48. In which tax rate the rate of taxation increases (multiplier) as the tax base increases (multiplicand)?
a) Progressive tax rate
b) Proportionate tax rate
c) Non-proportionate tax rate
d) Regressive tax rate
49. How many major Goods and Service Tax (GST) rates are there in India?
a) Three
b) Five
c) Two
d) Four
50. Which tax implies that higher the rate of tax lower the income groups than in the case of higher income groups?
a) Progressive tax rate
b) Proportionate tax rate

- c) Non-proportionate tax rate
d) Regressive tax rate
51. The unaccounted money that is concealed from the tax administrator is called _____
- a) Inflation money
b) Black money
c) Laundry money
d) Compromised money
52. Which of the following is not causes of Black money?
- a) Smuggling
b) Tax structure
c) Shortage of Labour
d) Contribution of Industrial sector
53. Bringing goods like precious metals like gold and silver, textiles and electronics goods by evading the authorities is known as _____
- a) Trespassing
b) Smuggling
c) Impulsive
d) Evading
54. Which of the following statement is correct
- 1) Licensing proceeding is Companies tries to buy commodities at low prices and get them billed at high amounts and pockets the difference personally.
2) Shortage of goods, whether natural or artificial, is the root cause of black money. Controls are often introduced to check black money.
- a) Only 1
b) Only 2
c) Both 1 and 2
d) None
55. Which of the following statement is True
- a) When the tax rate is high, more black money is generated.
b) When the tax rate is low, more black money is generated.
- c) No matter what the tax rate, black money is always more generated.
d) When the tax rate is equally distributed, more black money is generated.
56. Which of the following statement is Incorrect
- 1) Tax evasion is an activity commonly associated with the formal economy. Tax evasion is the illegal evasion of taxes by individuals, corporations and trusts
2) One measure of the extent of tax evasion is the amount of unreported income, which is the difference between the amount of income that should be reported to the tax authorities and the actual amount reported.
- a) Only 1
b) Only 2
c) Both 1 and 2
d) None
57. Which of the following is not Tax evading?
- a) Underreporting income
b) Deflating deductions or expenses
c) Hiding money
d) Hiding interest in offshore account
58. Which of the following statement is Incorrect
- 1) Tax evasion resulting in black money prevents the resource mobilisation efforts of the Union government.
2) Excess of funds distorts implementation of developmental plans and forces the government to resort to deficit financing in case public expenditure is inelastic.
- a) Only 1
b) Only 2
c) Both 1 and 2
d) None
59. Which of the following statement is Incorrect
- 1) Tax evasion and black money encourage the concentration of economic power in the hands of undeserving groups in the country, which, in turn, is a threatening to the economy in its way.

2) Evasion of tax consumes time and energy of tax administration to disentangle the intricate manipulations of tax dodgers

- a) Only 1
- b) Only 2
- c) Both 1 and 2
- d) None

60. Tax evasion penalties include imprisonment of how many years?

- a) Seven years
- b) Three years
- c) One year
- d) Five years

61. Which of the following is not the penalties for tax evasion?

- a) Community service
- b) Probation
- c) Rehabilitation
- d) Restitution

62. The income received from production and supply of goods and services of public enterprises and revenue from administrative activities is known as _____

- a) Revenue
- b) Payment
- c) Tax
- d) Cost

63. Which is generated due to higher taxes on certain undesirable products like alcoholic products?

- a) Resource welfare
- b) Resource inflation
- c) Social welfare
- d) Equality monetary

64. Which enables the government to mobilise a substantial amount of revenue?

- a) Black money
- b) Laundry money

c) Payments

d) Taxation

65. Which of the following statement is correct

1) Taxation plays an important role in regional development, Tax incentives such as tax holidays for setting up industries in backward regions, which induces business firms to set up industries in such regions.

2) Taxation encourages imports and restricts exports, Generally, developing countries and even the developed countries do not impose taxes on import items

- a) Only 1
- b) Only 2
- c) Both 1 and 2
- d) None

66. Taxation can be used as an instrument for controlling _____

- a) Inflation
- b) Smuggling
- c) Black money
- d) Imports

67. Which of the following statement is correct

1) Taxation follows the principle of equity. The direct taxes are progressive in nature.

2) Also, certain indirect taxes, such as taxes on luxury goods, is also progressive in nature.

- a) Only 1
- b) Only 2
- c) Both 1 and 2
- d) None

68. Which of the following is not the role of taxation in developing economics?

- a) Resource mobilisation
- b) Foreign exchange
- c) Increase in equalities of income
- d) Control of inflation

69. Which of the following statement is correct

1) Tax is a compulsory payment. If tax is imposed on a person, he has to pay it; otherwise he has to be penalised

2) Fee is also a compulsory payment. Fee payer can get direct benefit for paying fee.

- a) Only 1
- b) Only 2
- c) Both 1 and 2
- d) None

70. What is a tax paid by individuals and businesses based on earned and unearned income?

- a) Service tax
- b) Income tax
- c) Excess duty
- d) Sales tax

71. Under which tax one nation, one uniform tax is ensured

- a) Goods and Service tax
- b) Income tax
- c) Value added tax (VAT)
- d) Sales tax