

7th Social Science Lesson 23 Questions in English – Geography

2. Tax and its Importance

1. The principal sources of the revenue of Government are_____
 - 1) Taxes
 - 2) Special assessment
 - 3) Raffle Scheme
 - a) 1, 2
 - b) 2, 3
 - c) 1, 3
 - d) 1, 2, 3
2. Which of the following statement is correct?
 - 1) For the welfare of the society, the government has to perform various functions so it requires revenue
 - 2) Modern governments have a single of source of revenue
 - a) 1 alone
 - b) 2 alone
 - c) 1, 2
 - d) None
3. Who among the following is the taxing authority?
 - a) Government
 - b) Private company
 - c) United Nations
 - d) All the above
4. Which of the following statement is correct?
 - 1) The term 'taxation' applies to all types of involuntary levies, from income to capital gains to estate taxes.
 - 2) Though taxation can be a noun or verb, it is usually referred to as an act; the resulting revenue is usually called 'taxes'.
 - a) 1 alone
 - b) 2 alone
 - c) 1, 2
 - d) None
5. Who defined 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) Adam Smith
 - b) Alfred Marshal
 - c) Prof. Seligman
 - d) Amartya Sen
6. Taxes are compulsory payments to government without expectations of_____ to taxpayers.
 - a) Direct
 - b) Return
 - c) Benefit
 - d) a or b or c
7. Which of the following statement is incorrect?
 - 1) Everybody is obliged by law to pay taxes.
 - 2) Total Tax money goes to RBI
 - a) 1 alone
 - b) 2 alone
 - c) 1, 2
 - d) None
8. _____decides how are taxes to be spent and how the budget is to be organized
 - a) RBI
 - b) Supreme Court
 - c) Government
 - d) UPSC
9. Which of the following statement is correct?
 - 1) Tax payment is optional.
 - 2) An individual has to pay tax if any income comes under the income tax slab.
 - a) 1 alone
 - b) 2 alone
 - c) 1, 2
 - d) None
10. Principles or cannons of taxation was said by_____
 - a) Adam Smith
 - b) Amartya Sen

- c) Alfred Marshal
d) Prof. Seligman
11. How many principles or canons of taxation are there?
a) 4
b) 5
c) 3
d) 2
12. Which of the following is not a Canons of Taxation?
a) Canon of Equality
b) Canon of Certainty
c) Canon of Convenience
d) Canon of Comfort
13. Which of the following statement is incorrect?
1) Government should impose taxes in such a way that people have to pay according to their ability
2) It does not mean equal amount of tax but it means that the burden of a tax must be fair and just
a) 1 alone
b) 2 alone
c) 1, 2
d) None
14. _____ possible money should be spent in the collection of taxes.
a) Minimum
b) Maximum
c) Equal
d) None
15. According to Canon of Economy, collected amount should be deposited in _____
a) Government treasury
b) RBI
c) Supreme Court
d) All the above
16. Taxes should be levied and collected in such a manner that it provides a _____ of convenience to the taxpayers.
a) Maximum
b) Minimum
c) Equal
d) Unequal
17. Which of the following statement is incorrect?
1) Certainty creates confidence in the taxpayers cost of collection of taxes and increases economic welfare because it tends to avoid all economic waste
2) It should always be kept in view that the taxpayers suffer the maximum inconvenience in payment of the tax
a) 1 alone
b) 2 alone
c) 1, 2
d) None
18. How many types of taxation are there?
a) 6
b) 3
c) 4
d) 5
19. Which of the following is not a taxation type?
a) Proportional Tax
b) Progressive Tax
c) Regressive Tax
d) Reciprocal Tax
20. _____ is a method, where the rate of tax is same regardless the size of the income.
a) Proportional Tax
b) Reciprocal Tax
c) Progressive Tax
d) Regressive Tax
21. In Proportional Taxation, if tax rate is 5% on income and Mr. X gets an income of Rs.1,000, he will pay Rs.50, Mr. B gets an income Rs.5,000, he will pay tax of Rs_____.
a) 250
b) 50
c) 500
d) 200

22. _____ Taxation is a method by which the rate of tax will also increase with the increase of income of the person

- a) Progressive
- b) Regressive
- c) Reciprocal
- d) Proportional

23. If a person with Rs.1000 income per annum pays a tax of 10% (i.e) Rs.100, a person with an income of Rs.10,000 per annum pays a tax of 25% (i.e) Rs.2,500 and a person with income of 1 lakh per annum pays the tax of 50% that is Rs.50,000. This an example of _____

- a) Progressive Taxation
- b) Regressive Taxation
- c) Reciprocal Taxation
- d) Proportional Taxation

24. _____ is in opposition to a progressive tax

- a) Reciprocal
- b) Proportional
- c) Regressive
- d) None

25. _____ is a tax applied uniformly, taking a larger percentage of income from low income earners than from high income earners.

- a) Progressive tax
- b) Regressive tax
- c) Proportional tax
- d) Reciprocal tax

26. Which of the following is correct about tax?

- 1) Without taxes, governments would be unable to meet the demands of their societies
- 2) Taxes are crucial because governments collect this money and use it to finance under the following social projects.

- a) 1 alone
- b) 2 alone
- c) 1, 2
- d) None

27. Taxes go to funding health services such as _____

- 1) Social healthcare
- 2) Medical research
- 3) Social security

- a) 1, 2
- b) 2, 3
- c) 1, 2, 3
- d) 1, 3

28. Which of the following statement is correct?

- 1) Education could be one of the most deserving recipients of tax money.
- 2) Governments put a lot of importance in the development of human capital and education is central in this development

- a) 1 alone
- b) 2 alone
- c) 1, 2
- d) None

29. _____ generally contribute to the gross domestic product (GDP) of a country.

- a) Taxes
- b) NGO
- c) Private Organisation
- d) None

30. Which of the following statement is incorrect?

- 1) Taxes can affect the state of economic growth of a country
- 2) Some of the money is also channeled to fund projects such as pensions, unemployment benefits, childcare, etc.

- a) 1 alone
- b) 2 alone
- c) 1, 2
- d) None

31. Central Board of Revenue Act _____

- a) 1953
- b) 1963
- c) 1973
- d) 1993

32. Under the Central Board of Revenue Act, Central Board of Revenue was _____

- a) Bifurcated

- b) Trifurcated
c) Quadrupled
d) None
33. In modern times taxes are classified into ___ types
a) 2
b) 5
c) 9
d) 7
34. Find the odd one out?
a) Income Tax
b) Wealth Tax
c) Sales Tax
d) Capital Gains Tax
35. Which of the following is not an indirect Tax?
a) Entertainment Tax
b) Excise Duty
c) Sales Tax
d) All the above
36. Which of the following is incorrect?
1) A Direct tax is paid directly by an individual or organisation to imposing entity
2) Service Tax is a Direct Tax
a) 1 alone
b) 2 alone
c) 1, 2
d) None
37. Corporate tax is a/an _____ tax
a) Indirect
b) Direct
c) Both a and b
d) None
38. _____ is levied on profit of corporations and companies.
a) Income Tax
b) Service Tax
c) Corporation Tax
d) Excise duty
39. Corporation Tax is charged on royalties, interest, gains from sale of capital assets located in _____
a) India
b) Foreign Countries
c) Both a and b
d) None
40. _____ is imposed on property of individuals depending upon the value of property.
a) Wealth Tax
b) Gift Tax
c) Estate duty
d) Corporation Tax
41. Property will be taxed _____ on its current market value.
a) Once in 2 years
b) Once in 3 years
c) Every Year
d) Twice a year
42. Which of the following statement is correct?
1) Apart from social projects, governments also use money collected from taxes to fund sectors that are crucial for the wellbeing of their citizens such as security, scientific research, environmental protection, etc.
2) Good governance ensures that the money collected is utilized in a manner that benefits citizens of the country.
a) 1 alone
b) 2 alone
c) 1, 2
d) None
43. Which of the following about Estate Duty is incorrect?
1) It is charged from successor of inherited property.
2) They are levied directly on income and property of persons, who pay directly to the government.
a) 1 alone
b) 2 alone

- c) 1, 2
d) None
44. _____ is a tax whose burden can be shifted to others.
a) Direct tax
b) Indirect tax
c) Both a and b
d) None
45. Service Tax is a _____ tax
a) Direct
b) Indirect
c) Both a and b
d) None
46. Service tax is paid to _____
a) State government
b) Central government
c) Both a and b
d) None
47. The burden of Sales Tax falls on _____
a) Customer
b) Shopkeeper
c) Government
d) All the above
48. The liability to collect sales tax falls on _____
a) Customer
b) Shopkeeper
c) Government
d) All the above
49. VAT is a/an _____ tax.
a) Direct
b) Indirect
c) Both a and b
d) None
50. Excise Duty is paid by the _____
a) Customer
b) Shopkeeper
c) Producer of goods
d) Government
51. Excise Duty is a/an _____ tax
a) Direct
b) Indirect
c) Both a and b
d) None
52. Excise duty is levied by _____
a) Central government
b) State government
c) RBI
d) None
53. Who among the following charges Entertainment Tax?
a) State Government
b) Central Government
c) RBI
d) None
54. Entertainment Tax is _____ tax
a) Direct
b) Indirect
c) Both a and b
d) None
55. Which of the following is an example of Entertainment tax?
a) Amusement parks
b) Sports-related activities
c) Video game arcades
d) All the above
56. Goods and Services Tax is a kind of tax imposed on _____
1) Sale
2) Manufacturing
3) Usage of goods and services
a) 1, 2
b) 2, 3
c) 1, 3
d) 1, 2, 3
57. Which of the following is correct about GST?
1) Goods and Services Tax is a kind of tax imposed on services alone
2) This tax is applied on services and goods at a national level with a purpose of achieving overall economic growth.
a) 1 alone
b) 2 alone

- c) 1, 2
d) None
58. GST is particularly designed to replace the_____ taxes
- a) Direct
b) Indirect
c) Both a and b
d) None
59. GST is imposed on goods and services by_____
- a) State Government
b) RBI
c) Central Government
d) Both a and c
60. Intra-state GST can be classified into_____ types
- a) 2
b) 4
c) 5
d) 3
61. Which of the following is/are Intra state GST?
- 1) State GST
2) Central GST
3) Integrated GST
- a) 1, 3
b) 1, 2
c) 1, 2, 3
d) 2, 3
62. Which of the following is Inter State GST?
- 1) State GST
2) Integrated GST
3) Central GST
- a) 1, 2
b) 2, 3
c) 1, 2, 3
d) 2 alone
63. Which of the following book speaks about ancient time taxes were levied and collected in both cash and kind?
- a) Arthshastra
b) Rig Veda
c) Harshacharita
d) Manusmiriti
64. Arthshastra was written by____
- a) Chanakya
b) Sudraka
c) Kalhana
d) Kautilya
65. Which of the following statement is correct?
- 1) The modern history of Indirect taxes starts from the early 20th century when Central Excise Duty was imposed on Salt, Sugar, Motor Spirit, etc.
2) At the time of independence, the system of Central Excise Duty at the national level and the Sales Tax at the State level was prevailing
- a) 1 alone
b) 2 alone
c) 1, 2
d) None
66. In Which year VAT was introduced in 1st state?
- a) 2000
b) 2003
c) 2001
d) 2010
67. In which year VAT was 1st introduced?
- a) Tamil Nadu
b) Gujarat
c) Haryana
d) Delhi
68. In 2005, VAT was introduced in_____ State/UT
- a) 31
b) 24
c) 30
d) 21
69. Which of the following statement is correct?
- 1) VAT was a major improvement over the pre-existing direct Tax regime
2) Goods and Services Tax (GST) is indeed a remarkable improvement and the next logical

step towards realising perfection in taxation system in the country

- a) 1 alone
- b) 2 alone
- c) 1, 2
- d) None

70. GST tax regime has been finally implemented from_____

- a) 1st July, 2017
- b) 13th July, 2017
- c) 1st January, 2017
- d) 1st July, 2016

71. Which of the following statement is correct?

- 1) Initially, it was proposed that there would be a single and national level GST
- 2) With this there is an economic union of the country with ONE TAX, ONE MARKET AND ONE NATION

- a) 1 alone
- b) 2 alone
- c) 1, 2
- d) None

72. How many parts are there in Goods and Services Tax (GST)?

- a) 4
- b) 2
- c) 5
- d) 7

73. GST is_____ tax

- 1) Direct
- 2) Indirect
- 3) Transparent

- a) 1, 2
- b) 2, 3
- c) 1, 3
- d) 1, 2, 3

74. Which of the following is not a slab of GST?

- a) 0%
- b) 5%
- c) 14%
- d) 18%

75. How many tax slabs are there in GST?

- a) 3
- b) 5
- c) 6
- d) 7

76. Which of the following are exempted from GST?

- 1) Vegetables
- 2) Food grains
- 3) Electronic Items

- a) 1, 2
- b) 2, 3
- c) 1, 2, 3
- d) None

77. Tax on petroleum products, alcoholic drinks, electricity are collected by_____

- a) State
- b) Centre
- c) RBI
- d) Both a and b

78. If a seller in Tamil Nadu sells a commodity to a buyer in other state (for example Karnataka), it is called_____

- a) Inter-state trade
- b) Intra-state trade
- c) International trade
- d) All the above

79. If a GST is 18% the share between state and centre will be_____

- a) 9, 9
- b) 10, 8
- c) 8, 10
- d) 12, 6

80._____ is a tax you often pay to use any form of infrastructure developed by the government, example roads and bridges.

- a) Entertainment Tax
- b) Toll Tax
- c) Swachh Bharat Cess
- d) Excise Duty

81. Which of the following statement is correct?

- 1) Swachh Bharat Cess is a tax you often pay to use any form of infrastructure developed by the government, example roads and bridges.
- 2) Toll tax amount levied is rather negligible which is used for maintenance and basic upkeep of a particular project.
- a) 1 alone
b) 2 alone
c) 1, 2
d) None
82. Swachh Bharat Cess is imposed by_____
- a) State Government
b) Government of India
c) RBI
d) All the above
83. Swachh Bharat Cess imposed by the government of India and was started from_____
- a) 15 November 2015
b) 20 November 2015
c) 15 November 2016
d) 20 November 2016
84. Swachh Bharat Cess tax is applicable on all taxable services and the cess currently stands at_____ %
- a) 5
b) 0.5
c) 2
d) 0.2
85. Swachh Bharat cess is levied over and above____ % service tax that is prevalent in the present times.
- a) 14
b) 28
c) 5
d) None
86. Which of the following is incorrect about Direct tax?
- 1) Direct tax has inflation pressure
2) Direct tax is less elastic
- a) 1 alone
b) 2 alone
c) 1, 2
d) None
87. Which of the following has inflation Pressure?
- a) Direct tax
b) Indirect tax
c) Both a and b
d) None
88. Which of the following is more elastic?
- a) Direct tax
b) Indirect tax
c) Both a and b
d) None
89. Burden of which tax cannot be shifted to another person?
- a) Direct
b) Indirect
c) Both a and b
d) None
90. A government's ability to raise taxes is called its_____ Capacity
- a) Governing
b) Fiscal
c) Qualitative
d) None
91. Which of the following statement is correct?
- 1) The levying of taxes aims to raise revenue to fund governing.
2) States and their functional equivalents throughout history have used money provided by taxation to carry out many functions.
- a) 1 alone
b) 2 alone
c) 1, 2
d) None
92. Which of the following are expenditures on economic infrastructure of Government?
- 1) Transportation
2) Sanitation
3) Education
- a) 1, 2

b) 2, 3

c) 1, 2, 3

d) 1, 3

93. Which of the following statement is correct?

1) When expenditures exceed tax revenue, a government accumulates debt

2) A portion of taxes may be used to serve past debts.

a) 1 alone

b) 2 alone

c) 1, 2

d) None

94. What is the purpose of taxation?

1) To maintain the stability of the currency

2) Express public policy regarding the distribution of wealth

3) Subsidizing certain industries or population groups

a) 1, 2

b) 1, 2, 3

c) 2, 3

d) 1, 3