

## Numerical 1

From the following data calculate Fiscal Deficit.

(CBSE Sample Question Paper 2018) (1 mark)

Items	(₹ in billion)
(i) Capital receipts net of borrowings	95
(ii) Capital Receipt	68
(iii) Revenue Expenditure	160
(iv) Interest Payment	20
(v) Borrowings	32
(vi) Tax Revenue	50
(vii) Non-tax Revenue	10

Solution: Fiscal deficit = Borrowings = ₹32 billion

## Do it yourself 1

In a government budget, revenue deficit is ₹ 50000 crore and borrowings are ₹ 75000 crore. How much is the fiscal deficit? (1 mark)

[Ans. ₹ 75000 crore]

## Numerical 2

A government budget shows a primary deficit of ₹ 4400 crore. The revenue expenditure on interest payment is ₹ 400 crore. How much is the fiscal deficit? (1 mark)

Solution: Primary deficit = Fiscal deficit – Interest payment

Therefore, Fiscal deficit = Primary deficit + Interest payment  
 $= 4400 + 400 = ₹4800$  crore

## Do it yourself 2

A government budget shows a primary deficit of ₹ 3,500 crore. The interest payment is ₹500 crore. How much is the fiscal deficit? (1 mark)

[Ans. ₹4,000 crore]

## Numerical 3

In a government budget, if revenue receipts are ₹100 crore, capital receipts are ₹50 crore and revenue deficit is ₹25 crore, how much is the revenue expenditure? (1 mark)

Solution: Revenue deficit = Revenue expenditure – Revenue receipts

$$25 = \text{Revenue expenditure} - 100$$

$$\text{Revenue expenditure} = 25 + 100 = ₹125 \text{ crore}$$

## Do it yourself 3

In a government budget, if tax revenue receipts are ₹80 crore, non-tax revenues are ₹20 crore and revenue deficit is ₹50 crore, how much is the revenue expenditure? (1 mark)

[Ans. ₹150 crore]

**Numerical 4**

From the following data about a government budget find (a) Revenue deficit, (b) Fiscal deficit and (c) Primary deficit: (CBSE 2011) (4 marks)

S. No.	Items	(₹ in arab)
(i)	Tax revenue	47
(ii)	Capital receipts	34
(iii)	Non-tax revenue	10
(iv)	Borrowings	32
(v)	Revenue expenditure	80
(vi)	Interest payments	20

**Solution:**

- (a) Revenue deficit = Revenue expenditure – Revenue receipts (Tax revenue + Non-tax revenue)  
 $= 80 - (47 + 10) = 80 - 57 = ₹ 23$  arab
- (b) Fiscal deficit = Borrowings = ₹ 32 arab
- (c) Primary deficit = Fiscal deficit – Interest payments =  $32 - 20 = ₹ 12$  arab

**Do it yourself 4**

From the following data about a government budget find (a) Fiscal deficit and (b) Primary deficit : (4 marks)

S. No.	Items	(₹ in arab)
(i)	Revenue expenditure	70000
(ii)	Borrowings	15000
(iii)	Revenue receipts	50000
(iv)	Interest payments	25% of revenue deficit

[Ans. (a) ₹ 15000 crore (b) ₹ 10,000 crore]

**Numerical 5**

From the following data about a government budget find:

(6 marks)

- (a) Revenue deficit  
 (b) Fiscal deficit  
 (c) Primary deficit

S. No.	Items	(₹ in crore)
(i)	Tax revenue	1037
(ii)	Revenue expenditure	2811
(iii)	Interest receipts by the government on net domestic lending	400
(iv)	Dividends and profits on investments	600
(v)	Recovery of loans	135
(vi)	Capital expenditure	574
(vii)	Proceeds from sale of shares in PSUs	100
(viii)	Interest payments on accumulated debts	1013

**Solution:** (a) Revenue deficit = Revenue expenditure - Revenue receipts = 2811 - 2037 = ₹ 774 crore  
**Note:** Revenue receipts = Tax revenue + Non-tax revenues (Interest receipts + Dividends and profits)  
 = 1037 + (400 + 600) = ₹ 2037 crore

(b) Fiscal deficit = Total expenditure - Total receipts excluding borrowings  
 = (Revenue expenditure + Capital expenditure) - (Revenue receipts + Non-debt capital receipts)  
 = (2811 + 574) - (2037 + 235) = 3385 - 2272 = ₹ 1113 crore

**Note:** Non-debt creating capital receipts = (vii) + (v) = 100 + 135 = ₹ 235 crore

(c) Primary deficit = Fiscal deficit - Net interest payments (viii - iii) = 1113 - (1,013 - 400) = ₹ 500 crore

### Do it yourself 5

Find out (a) Revenue deficit, (b) Fiscal deficit and (c) Primary deficit :

(CBSE 2011) (4 marks)

S. No.	Items	(₹ in arab)
(i)	Capital receipts net of borrowings	95
(ii)	Revenue expenditure	100
(iii)	Interest payments	10
(iv)	Revenue receipts	80
(v)	Capital expenditure	110

[Ans. (a) ₹ 20 arab (b) ₹ 35 arab (c) ₹ 25 arab]

### Numerical 6

From the following data about a government budget calculate Primary deficit:

(3 marks)

S. No.	Items	(₹ in arab)
(i)	Revenue deficit	40
(ii)	Non-debt creating capital receipts	190
(iii)	Tax revenue	125
(iv)	Capital expenditure	220
(v)	Interest payments	20

**Solution:** Fiscal deficit = Revenue deficit + Capital expenditure - Non-debt creating capital receipts  
 = 40 + 220 - 190 = ₹ 70 arab

Therefore, Primary deficit = Fiscal deficit - Interest payments = 70 - 20 = ₹ 50 arab

### Do it yourself 6

From the following data about a government budget find (a) Fiscal deficit and (b) Primary deficit:

(4 marks)

S. No.	Items	(₹ in crore)
(i)	Tax revenue	1,000
(ii)	Revenue deficit	775
(iii)	Interest receipts by the government on net domestic lending	400
(iv)	Recovery of loans	135
(v)	Capital expenditure	575
(vi)	Proceeds from sale of shares in PSUs	100
(vii)	Interest payments on accumulated debts	1,000

[Ans. (a) ₹1,115 crore (b) ₹515 crore]