

Exercise No: 4.1
(Time allowed: 10 minutes)

Note: Learners may solve this exercise individually within 4 minute and note down the answers in their notebooks. After 4 minutes, the learners will discuss their individual answers in their sub-groups and come to agreed final answers within the sub-group. They may take another 4 minutes for this. A reporter from the sub-group will then state the answer to the entire learning community on behalf of sub-group. This exercise may take another 2minutes.

Question: In which month of a year the budget formulation process for the ensuing financial year starts? Who initiates it and which are the other wings who initiate the action simultaneously?

Suggested solution to exercise No. 4.1

Question: In which month of a year the budget formulation process for the ensuing financial year starts? Who initiates it and which are the other wings who initiate the action simultaneously?

Suggested solution:

The budget formulation process for the ensuing financial year starts in the month of September of the current year. The process is initiated by the Budget Division in the Department of Economic Affairs, Ministry of Finance, who issue a Budget Circular seeking statement of budget estimates from various Ministries/organizations in specific proformas. The process is simultaneously started by the Planning Commission, who too seek annual plan proposals from different Union Ministries/State Governments.

Exercise No: 4.2
(Time allowed: 10 minutes)

Note: Learners may solve this exercise individually within 4 minute and note down the answers in their notebooks. After 4 minutes, the learners will discuss their individual answers in their sub-groups and come to agreed final answers within the sub-group. They may take another 4minutes for this. A reporter from the sub-group will then state the answer to the entire learning community on behalf of sub-group. This exercise may take another 2 minutes.

Question: Write True or false against each statement according as you think the statement is True or false.

Serial No.	Statement	True/False
1.	Annual Financial Statement is placed before the Parliament by the Union Finance Minister every year.	
2.	The State Planning Commission finalizes the magnitude of Central Assistance to be extended to the States which is an outgo from the Union Budget.	
3.	The estimates furnished by the Ministries/their subordinate organizations/offices are scrutinized by the Budget Units of the Ministries before their onward transmission to Financial Advisers.	
4.	The Budget Estimates collected from subordinate offices of a Ministry, duly scrutinized, reviewed and consolidated by the Financial Advisers are labeled as Statement of Budget Estimates.	
5.	The Controller Aid Accounts and Audit (CAA&A) does not contribute any information in the formation of Budget.	
6.	The Estimates of Public Debt transactions are collected for Revenue Estimation from the Reserve Bank of India.	
7.	The State Accountants General furnish Estimates of Recoveries from States on account of Loans and Advances to the State from the Union Government.	
8.	The estimates of direct taxes and indirect taxes are received from the Central Board for Direct Taxes and Central Board for Excise and Customs.	

Suggested solution to exercise No. 4.2

Question: Write True or false against each statement according as you think the statement is True or false.

Suggested solution:

Serial No.	Suggested solution
1.	True
2.	True
3.	True
4.	True
5.	False
6.	True
7.	True
8.	True

Exercise No: 4.3
(Time allowed: 10 minutes)

Note: Learners may solve this exercise individually within 4 minute and note down the answers in their notebooks. After 4 minutes, the learners will discuss their individual answers in their sub-groups and come to agreed final answers within the sub-group. They may take another 4minutes for this. A reporter from the sub-group will then state the answer to the entire learning community on behalf of sub-group. This exercise may take another 2 minutes.

Question: Complete the statements in A with matching statements in B

S.No.	Statement A	S.No.	Statement. B
1	The Statement of Budget Estimates in final form are sent to the Budget Division in	1.1	February.
2	The Estimates of Indirect Taxes are furnished to the Budget Division by.	2.1	The Planning Commission.
3	The Estimates of External Assistance are prepared by	3.1	The Finance Minister.
4	The pre-budget discussions are held with groups of leading economists, representatives of industry etc., by	4.1	Reserve Bank of India.
5	The Planning Commission addresses letters to different Union Ministries and State Governments to seek	5.1	Two stages..
6	The magnitude of Central Assistance to the States which is an outgo from the Union Budget is decided by	6.1	The Chief Controller of Aid Accounts and Audit
7	The Budget Division obtains the estimates on possibilities as well as sources of Market borrowings from the.	7.1	The Central Board of Excise and Customs in the Department of Revenue, Ministry of Finance..
8	The estimates of receipts in Budget Process are finalized in the middle of	8.1	Their annual plan proposals.

Suggested solution to exercise No. 4.3

Question: Complete the statements in A with matching statements in B

Suggested solution:

1.	5.1
2.	7.1
3.	6.1
4.	3.1
5.	8.1
6.	2.1
7.	4.1
8.	1.1.

Exercise No: 4.4
(Time allowed: 10 minutes)

Note: Learners may solve this exercise individually within 4 minute and note down the answers in their notebooks. After 4 minutes, the learners will discuss their individual answers in their sub-groups and come to agreed final answers within the sub-group. They may take another 4 minutes for this. A reporter from the sub-group will then state the answer to the entire learning community on behalf of sub-group. This exercise may take another 2 minutes.

Question: What is the Public Enterprises Survey?

Suggested solution to exercise No4.4

Question: What is the Public Enterprises Survey?

Suggested solution:

The Public Enterprises Survey is a report on the working, profitability and performance of Public Sector Undertakings in which substantial part of investments is made by the Government of India. This report is circulated amongst the Members of the Parliament along with other documents of the Budget.

.

Exercise No: 4.5
(Time allowed: 10 minutes)

Note: Learners may solve this exercise individually within 4 minute and note down the answers in their notebooks. After 4 minutes, the learners will discuss their individual answers in their sub-groups and come to agreed final answers within the sub-group. They may take another 4minutes for this. A reporter from the sub-group will then state the answer to the entire learning community on behalf of sub-group. This exercise may take another 2 minutes.

Question: Fill in the following blanks with the terms given below.

Union Railway Budget, two, Annual Financial Statement, Appropriation Bill, expire, close, Parliament, Planning Commission, Guillotine, Finance Bill.

1. The demands for Grants are presented to Parliament at----- levels.
2. The estimates for Plan expenditure are processed in consultation with the -----
3. The exception to the principle of having only one budget for all financial transactions is the -----
4. The rule of lapse means all Appropriations-----at the ----- of the financial year.
5. The documents prescribed for budget by the Constitution are-----, Demand for Grants, -----, and Finance Bill.
6. Parliamentary Standing Committees are constituted for considering demands of grants of concerned Ministries/Departments and making a report to the -----.
7. In the schedule for budget discussion made by the Business Advisory Committee, if all the demands have not been considered by the Parliament the speaker applies the ----- and all outstanding Demands are put to the Vote of the House without further discussion.
8. The proposals of the government for levy of new taxes, modification of existing tax structure beyond the period approved by the Parliament are contained in-----.

Suggested solution to exercise No. 4.5

Question: Fill in the following blanks with the terms given below

Suggested solution:

Serial No.	Suggested Solution
1	two
2	Planning Commission
3	Union Railway Budget
4	Expire, close
5	Annual Financial Statement ,Appropriation Bill
6	Parliament
7	Guillotine
8.	Finance Bill