Q60

With reference to the Union Government, consider the following statements: 1. The Department of Revenue is responsible for the preparation of Union Budget that is presented to the Parliament. 2. No amount can be withdrawn from the Consolidated Fund of India without the authorization from the Parliament of India. 3. All the disbursements made from Public Account also need the authorization from the Parliament of India. Which of the statements given above is/are correct? (a) 1 and 2 only (b) 2 and 3 only (c) 2 only (d) 1, 2 and 3 Official key: C.

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Explanation

(a)

This pairing includes statement 1. The Union Budget is prepared by the Department of Economic Affairs in the Ministry of Finance, not by the Department of Revenue. Statement 1 is false, so 1 and 2 only cannot be the key.

(b)

This pairing includes statement 3. Disbursements from the Public Account of India do not require parliamentary authorisation in the same way as the Consolidated Fund; the Public Account holds funds in which the government is a banker. Statement 3 is false, so 2 and 3 only is not the key.

(c) Official key

- **Statement 2 is correct:** no money can be withdrawn from the Consolidated Fund of India except under appropriation by Parliament (Articles 114 and 266). Statements 1 and 3 are incorrect. Hence 2 only is the official key.

(d)

All three would require 1 and 3 to be true. Revenue does not prepare the Budget, and Public Account outgoes are not similarly voted. This option is not the key.

Summary

Official key is (c) 2 only. Parliamentary control over the Consolidated Fund is a core financial rule. The Budget is a Department of Economic Affairs product, not a Department of Revenue product. The Public Account is not subject to the same appropriation lock as the Consolidated Fund. Therefore only statement 2 survives. Options that keep 1 or 3 fail.

Related possible facts

These can be asked in a future Prelims paper.

Department of Economic Affairs
Prepares the Union Budget / Annual Financial Statement

Department of Revenue
Direct and indirect tax administration, not Budget preparation

Article 266
Consolidated Fund and Public Account of India

Appropriation Act
Needed before withdrawal from the Consolidated Fund

Contingency Fund
Article 267; advances later recouped by Parliament