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Q61

Suppose the revenue expenditure is Rs.80,000 crores and the revenue receipts of the Government are Rs.60,000 crores. The Government budget also shows borrowings of Rs.10,000 crores and interest payments of Rs.6,000 crores. Which of the following statements are correct? I. Revenue deficit is Rs.20,000 crores. II. Fiscal deficit is Rs.10,000 crores. III. Primary deficit is Rs.4,000 crores. Select the correct answer using the code given below (a) I and II only (b) II and III only (c) I and III only (d) I, II and III
Official key: D.

UPSC Civil Services Prelims 2025 · General Studies · 2 marks · Economy

Indian economy, budget, schemes - Prelims GS Paper I.

Explanation

(a)

I and II only. The official set keeps III as well.

(b)

II and III only. That drops I.

(c)

I and III only. That drops II.

(d) Official key

I, II and III. The paper keys all three fiscal-arithmetic lines.

Summary

• **Official Set A key is (d) all three. Work the identities as printed:** revenue expenditure, revenue receipts and the related deficit/borrowing statements are all treated as correct on this paper. Do not drop a limb.

Related possible facts

These can be asked in a future Prelims paper.

Revenue deficit

Revenue expenditure – revenue receipts. Here 20,000 crore if I were scored.

Fiscal deficit

Total expenditure – (revenue receipts + non-debt capital receipts). Often close to borrowings.

Primary deficit

Fiscal deficit – interest payments.

Effective revenue deficit

Revenue deficit minus grants for creation of capital assets. A neighbour term.

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