



Department of Education, Sabaragamuwa/weekly school

week- March 1

Subject-Economics

Grade-13

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1. Under which circumstances the demand side policies face limitations in fiscal management?
Explain the alternative policy actions that can be implemented in such situations.
2. Explain the “Tax Base” and explain how taxes are categorized according to tax base by using examples.
3. “Government expenditure of Sri Lanka can be categorized according to various criteria”. Explain this statement.
4. The following are some fiscal information of a government in a hypothetical economy.
(Rs. Million)

Revenue	10,000
Grants	2,000
Total expenditure	15,000
Debt repayment	1,000

 - (a) Compute the overall balance of the budget by using above data.
 - (b) What is the net cash deficit of the economy according to these data?
5. What can be said about the recent changes in government debt in Sri Lanka? Examine the consequences of the situation.