

Assessment of Union Budget 2020-21- A study

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ABSTRACT

Good Planning and management is always wins a half of the battles, in case of the government which facilitates the good governance. The Planning and management has been made by the government one a year in form of Budget. The control expenditures on the basis of the incomes generated. Also the budget set up the priorities for public administration to provide the essential and development to increase the per capita income of the people in India. The present paper study highlights on the Union Budget 2020-21 of India.

1. Introduction

Budget is an estimation and road map for the following year income and expenditure. The expenditure made by the government on revenues generated especially in the form of taxes on various goods and services it may be direct tax or indirect taxes. The budget provides the direction and coordination usually these are the businessman activities transferred in to practical reality for the government. A budget provides to know what people can afford, get benefit of buying and investing chances, and map decrease individual debt. It also put in the picture that the significant level based on spending ability reaching towards financial goals. Budget allocations are a explanation pointer of the level of importance the government places on certain social and economic issues. Budget enhances fiscal planning and decision-making and communicating the fiscal objectives of the country. It also helps to indentify challenges and issue areas and facilities effective solution. In fact it coordinates the activities of the government by compelling to examine relationship between various departments.

2. Review of literature

Grover, C. (2015): This paper focused on varying in the employability and sustain grant and less eligibility and troubles in supplying-side paternalism- which changed into the ESA is presented in a paternalistic discourse as something that is good for disabled people by both improving their employment rate. **Hirsch, D. (2015):** The paper provides a clear picture of how the strategy , economic and financial developments have influenced the economic well being of some of the UK's most terrible households over the recent difficult economic years, and how they force do so in a period where real growth rate for wages but fiscal severity continues. **Andersen, A. L., Lassen, D. D., & Nielsen, L. H. W. (2010):** This paper examines the effect of fiscal lucidity on the recurring retort of fiscal policy. The experiential part reveals that government spending ability responds in an asymmetric way to output varies by being a recurring in depression and pro-cyclical in detonations. In the

notional part, researcher develops a model that can explain this asymmetry by highlighting the role of fiscal transparency. **Ranjani, R. C., Sujeewa, G. M., & Rathnasiri, U. A. H. A. (2009):** Under this study investigator focused on the behavior of stock price indices in admiration of past and post period budget statement information. The researchers have measured before and after period of fifteen trading data based on the budget announcement date to the Parliament. The event revise method has been selected for the reason of data analysis. The consequences indicate that the downward trend and price indices in respect of budget announcement period, both prior and post as focused in this study. **Stone, J. C. (2005).** Planning defense budget allocations for Canada's Strategy 2020- This paper inspected the alteration features of policy 2020 with particular emphasis on the budget portion options obtainable to move the Canadian Forces towards an RMA competent strength structure. The results of the research indicate that a important budget augment above the expected rate of inflation will be required.

3. Objectives of the study

- To know the microeconomic key-indicators moments (trends) in Budget 2020-21.
- To examine the budgeted estimate and revised estimate in revenue and expenditure of Budget 2020-21.
- To study the sources of revenue inflow and cash outflow allocation of Budget 2020-21

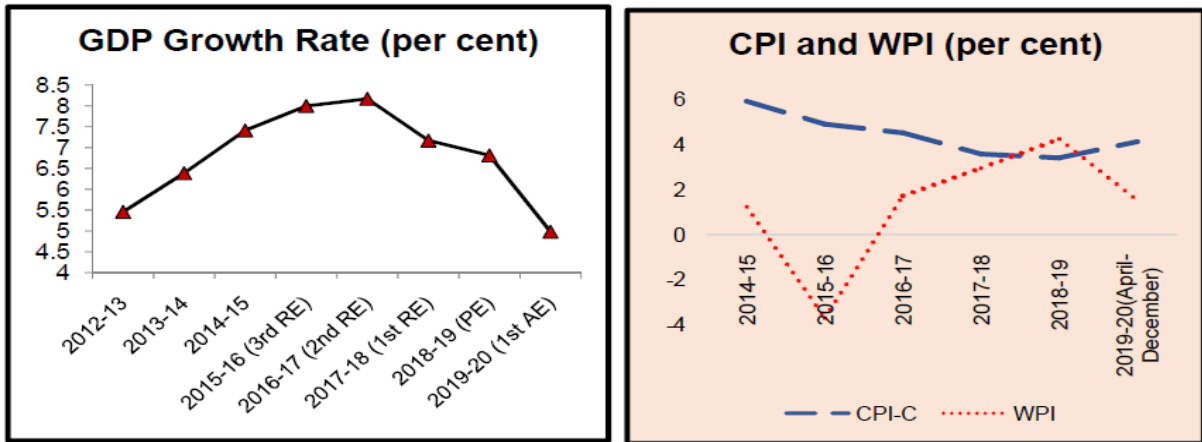
4. Scope of the study

This paper examines and evaluates the Union Budget 2020-21 of India. The results inferences of this study may not be applicable to any other state and financial year.

5. Analysis of the study

- Microeconomic key-indicators moments

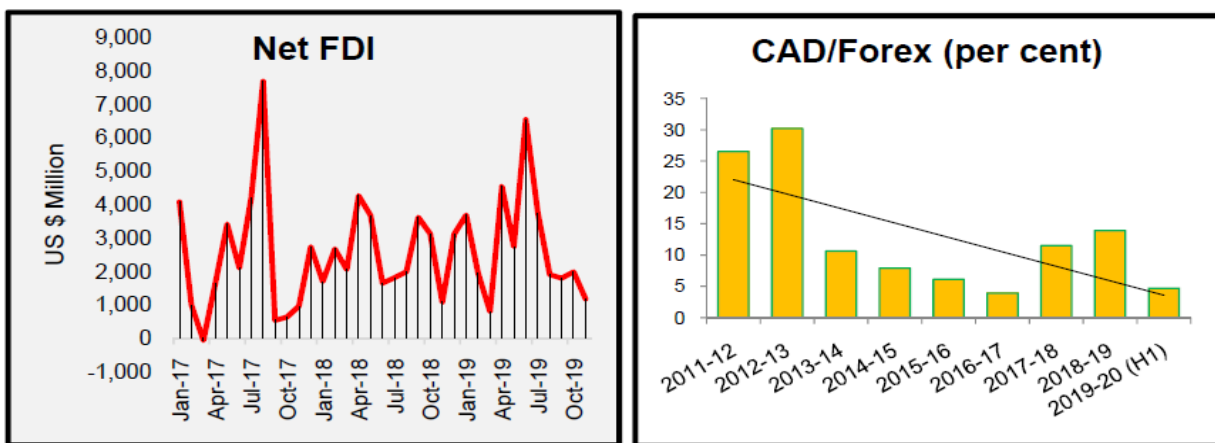
Chart 01: Growth rate and Consumer and weighted price index (%)



Source: Budget 2020-21

The above chart clears that GDP has decreased and Consumer price index and weighted average index also falls. There is a positive correlation is existed in between these two elements.

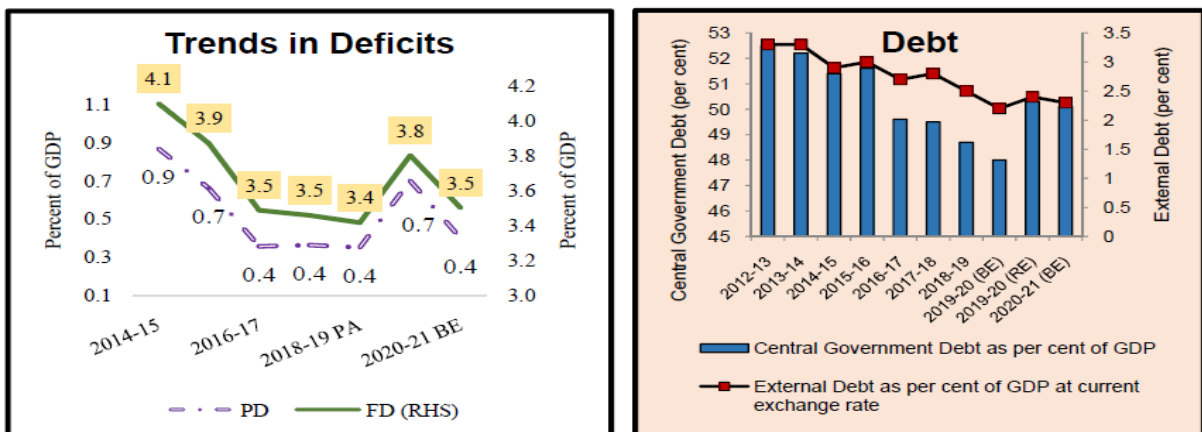
Chart 1.2: Net Foreign Direct Investment and Forex Position



Source: Budget 2020-21

The date shows in the above two charts net foreign direct investments is not constant and forex also decline.

Chart 1.3: Trends of Deficit and Debt position

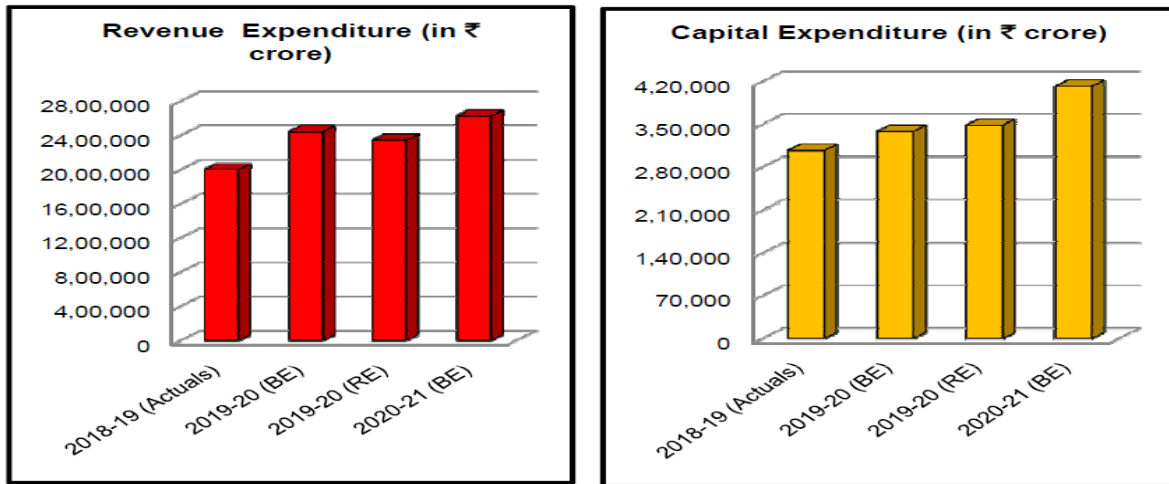


Source: Budget 2020-21

As the above information in the charts clears that country deficit decreases and on the other hand the debt trend also decreases. Hence, in future it was good sign for the country.

• Budgeted estimate and revised estimate in revenue and expenditure of Budget 2020-21

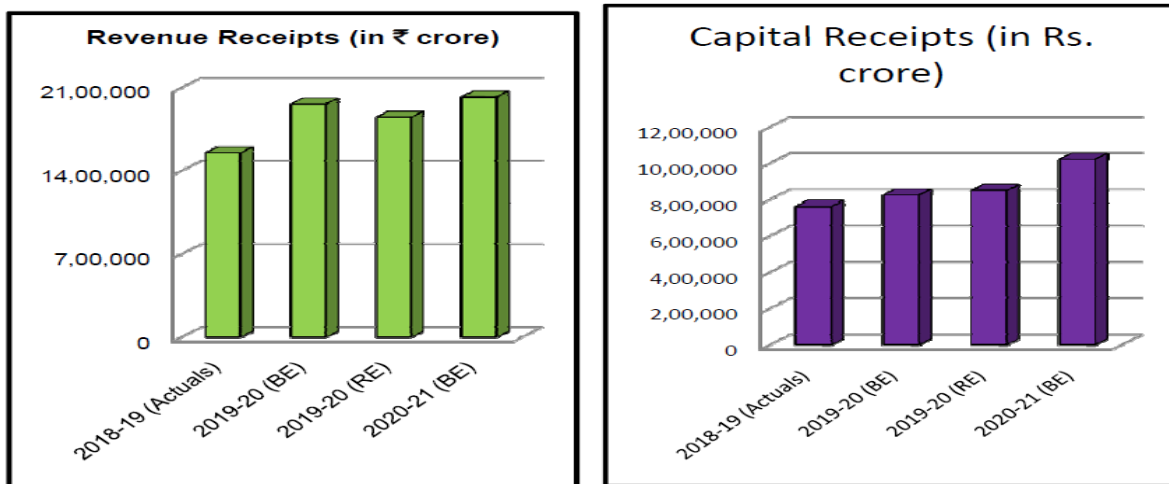
Chart 2.1: Budgeted estimate Expenditure (BE) and Revised estimate Expenditure (RE)



Source: Budget 2020-21

The data in the above charts shows that the expenditure size in case of revenue in nature is higher than the capital in nature. It means the government spends majority of the public finance in operation and not to accumulate the assets.

Chart 2.2: Budgeted estimate of receipts (BE) and Revised estimate Receipts(RE) in Crores

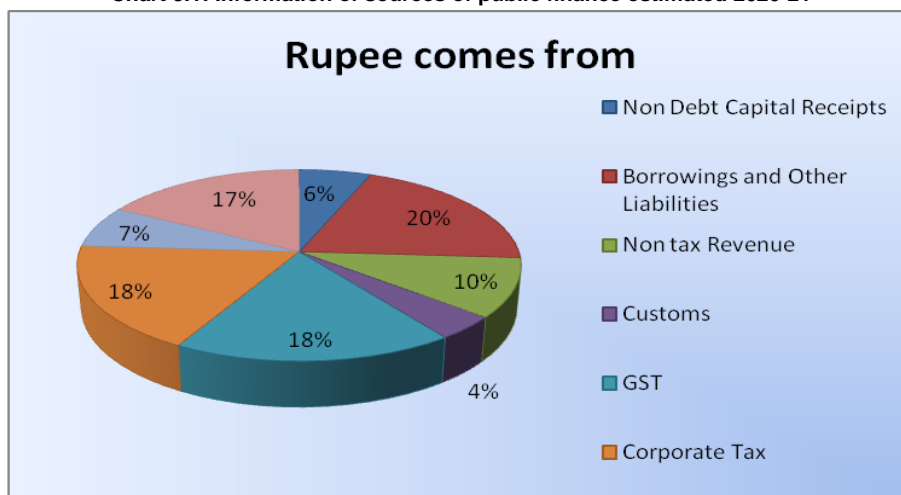


Source: Budget 2020-21

Above chart says that the revenues receipts are more than the capital receipts.

• Sources of revenue inflow and cash outflow allocation of Budget 2020-21

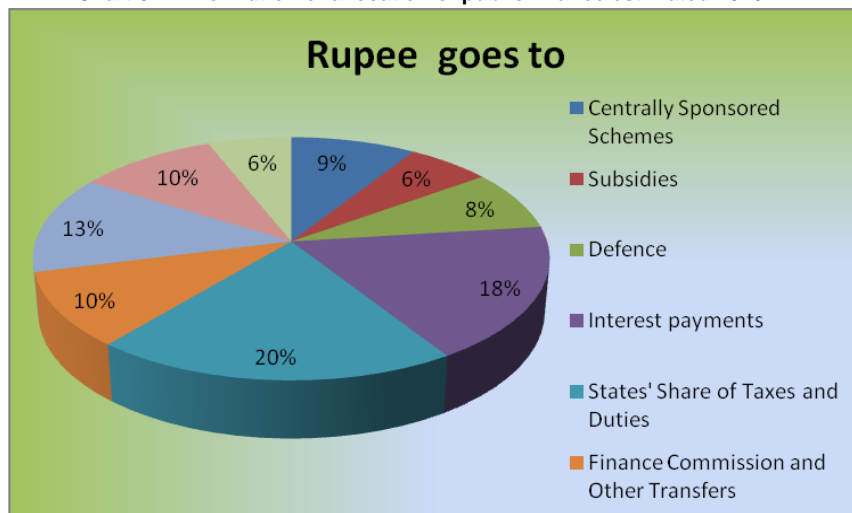
Chart 3.1: Information of sources of public finance estimated 2020-21



Source: Budget 2020-21

the information in the above pie chart is very clear that the collection of fund for the government major share comes from the taxes only such as Goods and service tax and corporate tax.

Chart 3.2: Information of allocation of public finance estimated 2020-21



Source: Budget 2020-21

It is clear from the above pie chart that 20% of the fund spends by the government in the area of state share and interest payments respectively.

6. Conclusion

The present study is made an attempt to know the government budget fund receipts and allocation of the funds to

various developmental areas. At present the GDP is decreased but this is not permanent. The government repaid the major portion of the debts as it affected the other area. In fact the present GDP position due the repayment of debts only. But other micro economic indicators show positive sign in future.

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