

Dividend Distribution Tax

This is a tax levied on companies that pay out dividends to its shareholders, i.e. share a portion of earnings with them.

Venture Capital Funds

These are funds that invest in startups, a financially riskier proposition than investing in established companies.

Securities Transaction Tax

It is a tax on all transactions done over the stock exchanges involving securities such as shares, derivatives, and equity-linked mutual funds.

Capital Gains Tax

It is a tax on the gains that ensue when an asset is sold for a price higher than what it was bought for.

Ad Valorem Tax

This is charged as a percentage of the value of a good or service, not at a specific rate per unit.

Advance Pricing Agreement (APA)

It is an agreement between a taxpaying entity and the taxman that indicates how the former will price transactions with its associates.

Fiscal Consolidation

The term refers to the things a Government does to maintain good fiscal health — cut debt and wasteful expenditure and improve revenue opportunities.

Current Account Deficit

It is a trade measure that shows the value of a country's imports of goods and services to be higher than the value of its exports.

Bear market

A period during which the majority of securities prices in a particular market (such as the stock market) drop substantially.

Bull market

A period during which the majority of securities prices in a particular market (such as the stock market) rise substantially.

Inflation risk

The risk that the purchasing power of the future value of assets or income will be lower due to inflation.

Interest rate risk

Risk of gain or loss on a security due to possible changes in interest rate levels. When interest rates rise, the market value of a debt security will fall, and vice versa.

Direct and Indirect Taxes

Direct taxes are the one that fall directly on individuals and corporations. For example, income tax, corporate tax etc.

Indirect taxes are imposed on goods and services. They are paid by consumers when they buy goods and services. These include excise duty, customs duty etc.

Customs Duty

These are levies charged when goods are imported into, or exported from, the country, and they are paid by the importer or exporter. Usually, these are also passed on to the consumer.

Primary Deficit

The primary deficit is the Fiscal deficit minus interest payments. It tells how much of the Government's borrowings are going towards meeting expenses other than interest payments.

Monetary Policy

This comprises actions taken by the central bank (i.e. RBI) to regulate the level of money or liquidity in the economy, or change the interest rates.

Fiscal policy

It is the government actions with respect to aggregate levels of revenue and spending. Fiscal policy is implemented through the budget and is the primary means by which the government can influence the economy.

Fiscal Deficit

When the government's non-borrowed receipts fall short of its entire expenditure, it has to borrow money from the public to meet the shortfall. The excess of total expenditure over total non-borrowed receipts is called the fiscal deficit.

Revenue Deficit

The difference between revenue expenditure and revenue receipt is known as revenue deficit. It shows the shortfall of government's current receipts over current expenditure.

Capital Budget

It consists of capital receipts and payments. It includes investments in shares, loans and advances granted by the central Government to State Governments, Government companies, corporations and other parties.

Vote on Account

The Vote on Account is a grant made in advance by the parliament, in respect of the estimated expenditure for a part of new Financial year, pending the completion of procedure relating to the voting on the Demand for Grants and the passing of the Appropriation Act.

Guillotine

Parliament, unfortunately, has very limited time for scrutinizing the expenditure demands of all the Ministries. So, once the prescribed period for the discussion on Demands for Grants is over, the Speaker of Lok Sabha puts all the outstanding Demands for Grants, whether discussed or not, to the vote of the House. This process is popularly known as 'Guillotine'.

Public Account

- Under provisions of Article 266(1) of the Constitution of India, Public Account is used in relation to all the fund flows where Government is acting as a banker. Examples include Provident Funds and Small Savings. This money does not belong to government but is to be returned to the depositors. The expenditure from this fund need not be approved by the Parliament.