

UNIT-II

DEFENCE BUDGET

FINANCE:

Finance is a broad term that describes activities associated with banking, leverage, debt, credit, capital, money, markets and investment.

REVENUE:

Revenue is the income generated from normal business operations and includes discounts and deductions for returned merchandise.

INTEREST:

Interest is a payment from a borrower or deposit-taking financial institution to a lender or depositor of an amount above repayment of the principal sum.

EXPENDITURE:

An Expenditure represents a payment with either cash or credit to purchase goods or services.

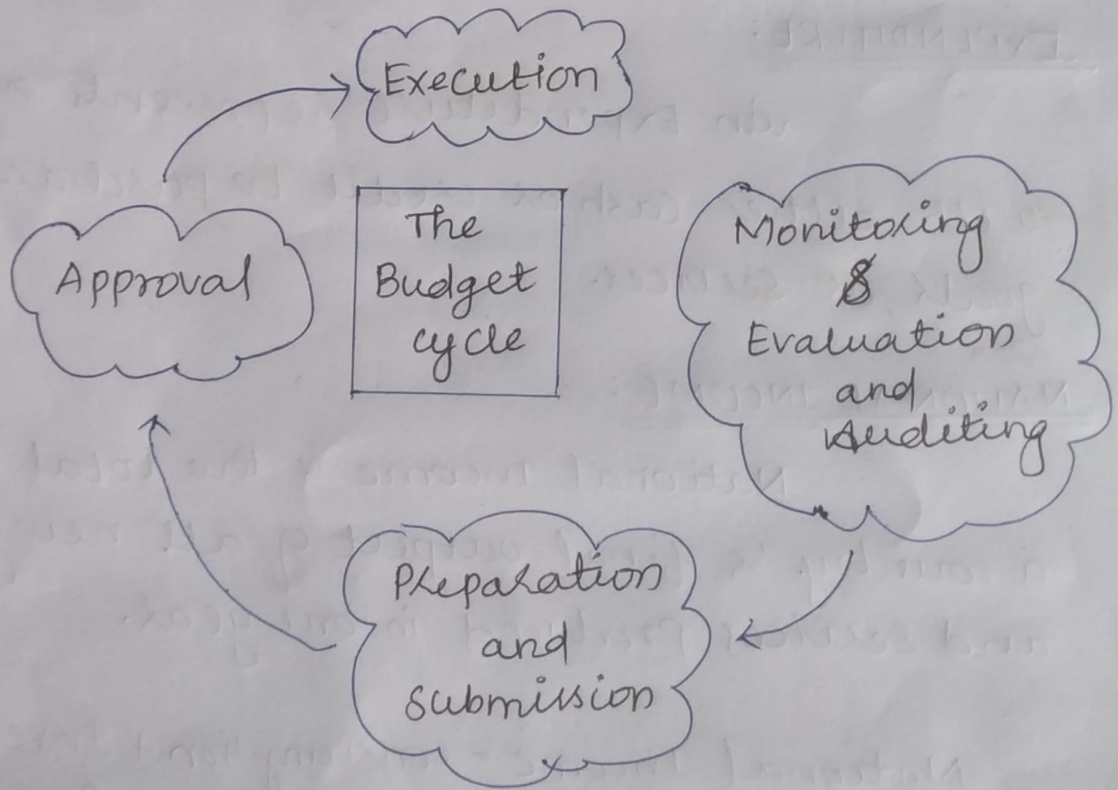
NATIONAL INCOME:

National Income is the total value a country's final output of all new goods and services produced in one year.

$$\text{National Income} = \text{consumption} + \text{Investment} + \text{government Spending} + (\text{Exports} - \text{Imports}).$$

BUDGETARY PROCESS:

Budget estimates are prepared by the Union Ministry of Finance. They prepare for the whole state. Based on the estimated income and expenditure of various ministries and departments are sent to the Ministry of Finance. Then they prepares the full budget. The Budget was presented by the Finance minister to the cabinet for approval. Then Budget is ready for presentation to the parliament.



ANALYSIS OF INDIA'S DEFENCE BUDGET:

The Military Budget or Defence budget of India is the portion of the overall budget of union budget of India that is allocated for the funding of the Indian Armed Forces.

The Military Budget finances employee salaries and training costs, maintenance of equipment and facilities support of new or ongoing operations, and development and procurement of new weapons, equipment and vehicles.

There is nearly 62 Billion allocated for the period of 2019-2020 fiscal year, which is 10% increase than the previous year.