

Section - 2

Ques 1

Ans: ①

Capitalization —

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Capitalization is the
recording of cost is not as
an asset, rather than
an expense.

This approach is used when
a cost is not expected to
be entirely consumed in
the current period but rather
over an extended period
of time.

②

Debt and its objectives — In India
most government
debt is held in long-term
interest bearing securities such
as national saving certificates
etc.

Development bonds capital develop-
ments the term is used
is used in a different
sense.

What are the objectives of public debts.

The main objectives of public debt management are to ensure,

that the government financing need and its payment obligations are met at the lowest possible cost over the medium to long run consistent with a prudent degree of risk.