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Role of Public Finance in National Economy

Importance of Public Finance in Allocation of Resources:

The meaning of allocation of resources is their best selection by which it is clear that

How to use land, labour, capital goods and other resources of the society –

What goods are produced in what quantity and

What methods of production must be used etc.

Every country has economic resources in definite quantity. In this, natural resources like land, forests, mineral wealth and power source etc. are included also. By natural and human resources of any country economic activities like agriculture, transport and trade etc., are conducted. This is the part of economy of the country. The whole economy depends on it. It is clear that the main objective of economic operations is to use appropriately and wisely. It can be known by following –

- Development of Economic Structure
- Rate of Population Growth
- Development of Backward Areas
- Development of Public and Private Industries
- Social Security Activities