

Public and Private Finance

On comparing Public and Private Finance, we know that if there are similarities in them, we also find dissimilarities, which is clear by following description :-

Dissimilarities:

Basic difference is found in many ways between Public and Private Finance such as objective, methods for getting Finance and quantity of resources etc. For example, as far as Public Finance believes in public welfare, whereas the only objective of Private Finance is getting profit. Former fulfills for the loss by imposing new taxes or by any other means, whereas later cannot do so. In the same way, the resources of Public Finance are big and enormous but the resources of Private Finance are limited. We will explain this topic in detail now.

Determination of Expenditure– Public authority decides the amount of expenditure first of all which it has to use on different aspects to fulfill its some responsibilities and after that it searches for the resources to fulfill that expenditure. But, a person first of all considers his income and he decides the amount of expenditure after that which he has to consume on different aspects of consumption.

Compulsory Character– According to Findlay Shirraj, “Government expenditure has another characteristic that is compulsory character found in it. Some expenses are those which cannot be terminated or divide by State, but it is not possible in case of a person.

Nature of Budget- A person believes in surplus budget or spending less than income normally and does not believe in deficit budget or spending more than income. But, Government or any other Public - sovereign can consider making deficit budget profitable specially making of surplus budget.

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