

### Corrigendum/Explanation SFG 2025 Level 2 Test 3

**There are no changes to the solutions/answers. Explanations have been provided for the students who have raised doubts.**

**Q.16)** There was a doubt raised with respect to Statement 1 of the question that Reducing off-budget borrowings by public sector enterprises will reduce the fiscal deficit or not?

**Explanation-** The off-budget borrowings are not directly included in the fiscal deficit calculations and the Government's fiscal deficit pertains only to flows that are recorded in the consolidated fund of the government (state/union government). It may be stated that it is a narrow definition of fiscal deficit and including off budget borrowings in the fiscal deficit calculations may expand the scope of fiscal deficit but currently in official calculations of fiscal deficit the off budget borrowings are not directly included.