Public Finance	Private Finance
Public finance is a study of the government's principles of income and expenditure at the central, state, and local levels.	Private Finance is a study of the principles of income and expenditure of an individual or private enterprise to fulfil private interest.
To offer maximum social advantage to the society	To fulfil private interests
Government first determines the volume and different ways of its expenditure	An individual considers his income and then determines the volume of expenditure
Tremendous impact on the economy of a country	Marginal effect on the economy of a country

Simple Index Number	Weighted Index Number
In this method, every commodity is given equal importance.	In this method, suitable weights are assigned to various commodities.
It is the easiest method of constructing an index number.	It is a different method of constructing index numbers.
this method can be applied to determine the price index number, quantity index number, and value index numbers.	This method can be applied to determine price index numbers and special purpose index numbers

Gross Domestic Product (GDP)	Gross National Product (GNP)
Gross Domestic Product is the gross market value of all final goods and services produced within the domestic territory of a country, during one year.	Gross National Product means the gross value of final goods and services produced annually in a country, which is estimated according to the price prevailing in the market.
It includes the production by both domestic and foreign entities within the country's borders.	It includes the production by domestic entities both within and outside the country's borders.
The formula for GDP is typically expressed as GDP = C + I + G + (X-M)	The formula for GDP is typically expressed as GNP = C + I + G + (X-M) + (R-P).
It does not account for the nationality of the entities involved in the production.	GNP considers the nationality of the entities involved in the production, focusing on the output produced by a country's citizens, whether it occurs domestically or abroad.

Output Method of Measuring National Income	Income Methods of Measuring National Income
According to this method, the value of output or services produced by different sectors of the economy such as agriculture, mining, manufacturing, small enterprises, commerce, transport, communication, and other services in a particular year are added up to get the value of national income.	According to this method, the income payments received by all citizens of a country, in a particular year are added up, that is income received from all factors of production by way of rents, wages, interests, and profits are added up to get national income.
This method of measuring national income is also known as the product method or inventory method.	This method of measuring national income is also known as the factor cost method.
This method estimates national income from the output(production) side.	This method estimates national income from the distribution side.

Direct Tax	Indirect Tax
It is paid by the taxpayer on his income and property.	It is paid at the time of production or sale and purchase of a commodity or a service. It is levied on goods or services.
The burden of tax is borne by the person on whom it is levied. It cannot be shifted	The burden of an indirect tax can be shifted by the seller on the buyer
Examples: Income Tax, Wealth Tax, Capital Gain Tax, etc.	Example: GST (Goods and Services Tax)

Internal Debt	External Debt
When a government borrows from its citizens, banks, central banks, financial institutions, business houses, etc. within the country, it is known as internal debt.	When a government borrows from foreign governments, foreign banks or institutions, international organizations like the International Monetary Fund, World Bank, etc., it is known as external debt.
It is repaid and borrowed in domestic currency	It is repaid in foreign currency
It results in the transfer of funds to the lender	It results in outflow to foreign country
It does not result in an outflow of cash from a country in the form of interest, debt servicing, and repayment of debt.	It results in an outflow of foreign exchange in the form of interest, debt servicing, and repayment

Price index Number	Quantity Index Number
It measures the general changes in the prices of goods. It compares the level of prices between two different periods.	It measures changes in the level of output or physical volume of production in the economy.
It can be used for measuring the changes in prices as well as other purposes e.g. in fixing wages, interest rates, tax rates, etc.	It can be used only for measuring the changes in the quantities e.g. of items like exports, imports, etc.
It compares the level of prices between two different periods	It compares the level of output between two different periods
Formula: Price Index Number $P_{01} = \frac{\sum P_1}{\sum P_0} \times 100$	Formula: Quantity Index Number $Q_{01} = \frac{\sum q_1}{\sum q_0} \times 100$

Utility	Usefulness
It refers to the ability of a commodity to satisfy human wants.	It refers to the better result of consumption.
A commodity having utility may or may not be useful.	A commodity that has utility will also be useful.
e.g. alcohol has utility but is not useful	e.g. Milk has utility as well as usefulness
It is a broad concept	It is a narrow concept.

Utility	Satisfaction
Utility refers to the capacity of a commodity to satisfy human wants.	Satisfaction is the result of consumption.
Utility is the ability to satisfy human wants	It is an act of consumption or use of a commodity.
Utility increases with change in place	It increases with change in time
E.g. there is utility in the water	E.g. when we use the water we get satisfaction

Total Utility	**Marginal utility**
Total utility is the sum of all utilities derived by a consumer from all units of a commodity consumed by him.	Marginal Utility is the utility derived from the consumption of an additional or extra unit of a commodity.
TU = $\sum$mu TU= Total Utility $\sum$MU = sum total of marginal utilities	Symbolically $\mathbf{MU_n = TU_n - TU_{n-1}}$
It is always a positive	It is positive, zero, and negative
It starts diminishing when marginal utility becomes zero	It starts diminishing at the beginning

	Relatively elastic demand	Relatively inelastic demand
1.	When a change in price brings about more than a proportionate change in quantity demanded of a commodity.	When a change in price brings about **less than** a proportionate change in quantity demanded of a commodity.
2.	It represents a flatter demand curve.	It represents a steeper demand curve.
3.	For example- a 20% fall in price leads to an 80% rise in quantity demanded.	For example- a 60% fall in price leads to a 20% rise in quantity demanded.
4.	Symbolically, Ed > 1	Symbolically, Ed < 1

Perfectly elastic demand	Perfectly inelastic demand
1. When a slight or zero change in the price brings about an infinite change in the quantity demanded of that commodity, it is called perfectly elastic demand.	When a percentage change in price has no effect on the quantity demanded of a commodity it is called perfectly inelastic demand.
2. The perfectly elastic demand curve is parallel to the OX axis	The perfectly elastic demand curve is parallel to the OY axis.
3. For example- a 10% fall in price may lead to an infinite rise in demand.	For example- a 20% fall in price will not affect the quantity demanded.
4. Symbolically, Ed = ∞	Symbolically, Ed = 0

Stock	Supply
Stock refers to the total quantity of commodity available to a producer for sale.	Supply is that part of the stock which the seller is willing to offer for sale at a given price.
It is the outcome of production. If production increases, the stock will also increase.	It is the outcome of stock. Stock is the basis of supply.
It can exceed supply.	It cannot exceed stock.

Expansion of Supply	Increase in Supply
When the supply of a commodity rises only due to the rise in the price of the commodity, then it is known as extension in supply.	When the supply of a commodity increases due to changes in other factors and price remains constant.
Rise in price is the only factor due to which supply expands/extends.	Supply increases due to (1) fall in cost of production (2) improvement in transport facility (3) introduction of modern technology (4) government subsidies (5) more imports etc.
When there is extension in supply, there is an upward movement on the same supply curve.	When there is an increase in supply, the supply curve shifts to the right of original supply curve.

Average Revenue (AR)	Average Cost (AC)
(a) Average revenue refers to average income earned per unit of a sold commodity.	(a)Average cost refers per unit of cost of production of a commodity produced.
(b) It is calculated by dividing total revenue (TR) earned by number of unit sold.	(b) It is calculated by dividing total cost (TC)by number of units of that commodity produced.
(c) Symbolically it in expressed as $[latex]\frac{TotalRevenue}{TotalQuantitysold}$ [/latex]	(c) Symbolically it is expressed as $\frac{TotalCost}{TotalQuantityproduced}$
E.g. If TR from sale of 10 units of a commodity is Rs. 1000 then, AP = 1000/10 = Rs. 100	E.g. If TC of 100 units a commodity is Rs. 1000 then, AC = $\frac{1000}{100}$ = Rs. 10

Balance of Payment	**Balance of Trade**
Balance of payments refer to a systematic record of all the transactions of a country with the rest of the world during a given period of time.	Balance of trade is the difference between the value of a country's exports and imports for a given period of time.
Balance of payment is a wider concept than Balance of trade.	Balance of trade is a narrow concept than balance of payment.
It includes visible items, invisible items, unilateral transfers and capital transfers.	It includes only visible items.