



INDIAN SCHOOL NIZWA

Class : XII UNIT 1 – NATIONAL INCOME (MACRO ECONOMICS)

1	Distinguish between Final Good and Intermediate Good																					
2	Distinguish between Stock and Flow																					
3	Distinguish between Consumer goods and Capital Goods																					
4	Differentiate between Factor Income and Transfer Income. Give examples.																					
5	Distinguish between Real flow and money flow.																					
6	Are the following statements true or false? Give reasons. (a)Capital formation is a flow (b)Bread is always a consumer good																					
7	Giving reasons categorise the following into stock and flow. a. Capital b. Saving c. Gross domestic product d. Wealth																					
8	Distinguish between ‘Real GDP’ and ‘Nominal GDP’. Which of these is a better index of welfare of the people and why?																					
9	Calculate Net value added at Factor Cost from the following data. <table><tr><th>S.No.</th><th>ITEMS</th><th>Amount (in ₹Lakhs)</th></tr><tr><td>i)</td><td>Purchase of raw materials</td><td>300</td></tr><tr><td>ii)</td><td>Import duty</td><td>20</td></tr><tr><td>iii)</td><td>Excise duty</td><td>30</td></tr><tr><td>iv)</td><td>Net addition to stock</td><td>50</td></tr><tr><td>v)</td><td>Value of output</td><td>500</td></tr><tr><td>vi)</td><td>Depreciation</td><td>10</td></tr></table>	S.No.	ITEMS	Amount (in ₹Lakhs)	i)	Purchase of raw materials	300	ii)	Import duty	20	iii)	Excise duty	30	iv)	Net addition to stock	50	v)	Value of output	500	vi)	Depreciation	10
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10	Calculate compensation of employees from the following data:																					

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11	‘Circular flow of income in a two sector economy is based on the axiom that one’s expenditure is other’s income’. Do you agree with the given statement? Support your answer with valid reasons.																									
12	(a) ‘Domestic /household services performed by a women may not be considered as an economic activity’. Defend or refute the given statement with valid reason. (b) ‘Compensation to the victims of a cyclone is an example of a welfare measure taken by the government’. State with valid reason, should it be included/not included in the estimation of national income of India.																									
13	Giving reason, explain whether the following are included in Domestic Product of India. a) Gifts given by an employer to his employees on Independence Day. b) Salaries of Indians working in the Russian Embassy in India. c) Profits earned by foreign companies in India.																									
14	How will you treat the following while estimating domestic product of a country? Give reasons for your answer. a. Profits earned by branches of country’s bank in other countries. b. Gifts given by an employer to his employees on Independence Day. c. Purchase of goods by foreign tourists. d. Profits earned by a branch of State Bank of India in Japan.																									
15	Will the following be included in the national income of India? Give reasons for your answer. a. Financial assistance to flood victims. b. Profits earned by the branches of a foreign bank in India. c. Salaries of Indians working in the American Embassy in India.																									
16	Should purchase of wheat in the wholesale market be treated as the purchase of final goods?																									
17	Giving reasons, classify the following into intermediate goods and final goods. a) A car purchased by a household.																									

	b)Purchase of rice by a grocery shop c)Printer purchased by a lawyer
18	State with valid reason , which of the following statement is true or false: (a) GDP growth as an index of welfare loses its importance if there is deep economic divide in the economy. (b) Real GDP may increase without any increase in the quantity of output in the economy.
19	Define externalities. Give an example of negative externality. What is its impact on welfare?
20	What precautions are to be taken while estimating National income by Expenditure Method.
21	Estimate the value of Nominal Gross Domestic Product for a hypothetical economy, the value of Real Gross Domestic Product and Price Index are given as ₹500 crores and 125 respectively.
22	If the Nominal GDP is ₹1200 and Price Index (with base = 100) is 120, Calculate Real GDP. Which of these is a better index of welfare of the people and why?
23	If Real GDP in 2019 is 500 and Nominal GDP in 2019 is 650, find GDP deflator. (a) 110 (b) 130 (c) 120 (d) 100
24	Sale of petrol and diesel cars is rising particularly in big cities. Analyse its impact on gross Domestic product and welfare.
25	If in an economy the value of Net Factor Income from Abroad is 500 crores and the value of Factor Income to Abroad is 400 crores. Identify the value of Factor Income from abroad. (a) 200 crore (b) 900 crore (c) 100 crore (d) 300 crore
26	Explain how 'Non – Monetary Exchanges' impact the use of Gross Domestic Product as an index of economic welfare.
27	All producer goods are not capital goods. Explain.
28	Explain the circular flow of income.
29	Categorise the following into stock and flow with reasons – a) Profits b) Balance in Bank account OR If real income is ₹ 400 and price index is 105, calculate Nominal Income.
30	All consumption goods are durable in nature. Defend or refute the given statement with valid arguments.

31	Write down the limitations of using GDP as an index of welfare of a country.	
32	Calculate GVAMP from the following	
	ITEMS	Rs in Lakhs
	a. Intermediate Cost	8
	b. Closing Stock	5
	c. Sales	30
	d. Net Indirect Taxes	6
	e. Subsidy	1
	f. Depreciation	3