

# **ECONOMICS ASSIGNMENT - I**

## **TOPIC-INTRODUCTION**

## **CLASS-XII**

1. What is meant by economizing resources?
2. Define microeconomics. Give two examples.
3. What does rightward shift of production possibility curve indicate?
4. A farmer produces 100kg of wheat on a piece of land with help of a given quantity of resources. If this farmer can also produce 70kg of rice with same quantity of resources, then what is opportunity cost of producing wheat?
5. What is the basic reason of economic problem in economics?
6. Why does PPC look concave to the origin?
7. State two features of resources that give rise to economic problem?
8. Distinguish between microeconomics and macroeconomics.
9. Distinguish between positive economics and normative economics.
10. What are central problems of an economy? Explain them. Why do central problems arise? Discuss.
11. What is opportunity cost? Explain opportunity cost with PPC?
12. What is marginal opportunity cost? Calculate the marginal opportunity cost of commodity A for the given combinations.

COMMODITY-A	0	1	2	3	4	5
COMMODITY-B	15	14	12	9	5	0

13. Distinguish between opportunity cost and marginal opportunity cost with an example.
14. Explain marginal opportunity cost along with schedule and PPC.
15. "Massive unemployment shift PPC to the left" Explain.
16. "An economy always produces on but not inside the PPC" -Defend or Refute.
17. Explain -"What to produce" with an example.
18. Explain-"How to produce" and "For whom to produce" with examples.
19. Is called textile industries a subject matter of microeconomics or macroeconomics?

# ECONOMICS (2018-19)

MACRO :-

SET-A

1. Define domestic territory. Is normal resident a part of domestic territory. (1)
2. Why is money received from sale of shares is not included in domestic factor Income. (1)
3. An Aeroplane purchased by Indian Airlines is (1)
  - (a) capital goods (b) Intermediate goods (c) consumer goods (d) capital allowances

4. Calculate Compensation of employees. ( Rs. In crores )(3)
- |  |      |
|--|------|
| a) Profit.....                               | 500  |
| b) Net domestic product at market price..... | 4200 |
| c) Interest paid by the household.....       | 425  |
| d) Depreciation .....                        | 800  |
| e) Interest paid by firm.....                | 400  |
| f) Mixed income of self employed.....        | 1500 |
| g) Sales tax .....                           | 300  |
| h) Subsidies .....                           | 100  |
| i) Rent.....                                 | 600  |

5. Calculate National Income And GNDI from the following :- ( Rs. Arab) (6)
- |   |        |
|---|--------|
| a) Net fixed capital formation.....                         | 220    |
| b) Consumption of fixed capital.....                        | 70     |
| c) Private final purchases made by nonresident Indian ..... | 80     |
| d) Household purchases of final goods n services.....       | 1200   |
| e) Net factor income to abroad .....                        | (-)10  |
| f) Purchases made by resident Indian .....                  | 120    |
| g) Subsidies .....  | 50     |
| h) Govt. final consumption expenditure.....                 | 200    |
| i) Indirect taxes.....                                      | 240    |
| j) Inventory investment .....                               | 100    |
| k) Net current transfer to rest of the world.....           | (-) 30 |

6. A) Calculate Sales from the following data: (3+1)
- |                         |        |
|-------------------------|--------|
| NVAfc.....              | 560    |
| Depreciation.....       | 60     |
| Unsold stock .....      | (-) 30 |
| Intermediate cost ..... | 1000   |
| Exports.....            | 200    |
| Indirect taxes .....    | 60     |

B) Define Problem of double Counting.

7. If real income is Rs.400 & price index is Rs.105, calculate nominal income?(1)  
What meant by national debt interest? Is it computed while calculating national income?(3)

8. State whether the following incomes are factor incomes or transfer incomes. Give Reasons for your Answer :

~~Your~~

answer

(4)

(i) Pocket money

(ii) Bonus

(iii) Interest received by a household on his deposits in a bank

(iv) Income from indirect taxes.

Class: 12

D.A.V.PUBLIC SCHOOL, HEHAL, RANCHI

Sub:- Economics

NATIONAL INCOME AND RELATED AGGREGATES (10 marks)

1. Is national income a stock concept or flow concept? (1)
2. Define real flow? (1)
3. What is GDP Deflator? (1)
4. What is Green GNP? (1)
5. Name a product whose value is included in GDP but its consumption reduces welfare. (1)
6. Distinguished between capital loss & depreciation. (3)
7. "NFIA can be Positive, Negative or Zero". Defend or Refute. (3)
8. What are different phases of circular flow of income? (3)
9. Are the following statements true or false? Give reasons for your answer. (3)
  - a. In final goods, no value is to be added
  - b. Intermediate goods have a derived demand
10. Calculate intermediate consumption from following:- (3)

	Rs.in lakh
Value of output	200
Net value added at factor cost	80
Sales tax	15
Subsidies	5
Depreciation	20

11. The value of nominal GNP of an economy was Rs. 2,500 crores in a particular year. The value of GNP of that country during the same year, evaluated at the prices of same base year was Rs. 3,000 crores. Calculate the value of GNP deflator of the year in percentage terms. Has the price level risen between the base year and the year under consideration? (3)
12. What is externalities? State three limitations of GDP as an index of economic welfare. (4)
13. Calculate net domestic fixed capital formation from the following data: (4)
  - a. GDP 8000
  - b. Net import 100
  - c. Change in stock 100
  - d. Private final consumption expenditure 5620
  - e. Government final consumption expenditure 1150
  - f. Net retained earnings 200
  - g. Consumption of fixed capital 180
14. Will the following be included in the domestic income of India? Give reason for answer. (4)
  - a. Profit earned by foreign companies in India.
  - b. Salaries of Indian working in Russian embassy in India.
  - c. Purchase of goods by foreign tourists.
  - d. Bonus received by Japanese worker, working in TATA Motors.

15. From the following data calculate Gross National Product at factor cost by (a) income method, and (b) expenditure method: (6)

1. Government final consumption expenditure	₹ 220
2. Private final consumption expenditure	₹ 1530
3. Profit	₹ 80
4. Net Indirect taxes	₹ 230
5. Rent	₹ 130
6. Interest	₹ 80
7. Compensation of employees	₹ 730
8. Exports	₹ 140
9. Imports	₹ 170
10. Gross domestic capital formation	₹ 500

- |                                  |       |
|----------------------------------|-------|
| 11. Consumption of fixed capital | ₹ 120 |
| 12. Net factor income to abroad  | ₹ 10  |
16. Calculate National Income by (a) income method and (b) expenditure method from the following data: (6)
- |   |             |
|---|-------------|
| 1. Government final consumption expenditure | ₹ 4000      |
| 2. Net domestic capital formation           | ₹ 3000      |
| 3. Consumption of fixed capital             | ₹ 700       |
| 4. Net exports                              | ₹ 2000      |
| 5. Net indirect taxes                       | ₹ 400       |
| 6. Private final consumption expenditure    | ₹ 6,000     |
| 7. Net factor income to abroad              | ₹ (-) 2,800 |
| 8. Compensation of employees                | ₹ 2,300     |
| 9. Profits                                  | ₹ 1,000     |
| 10. Rent                                    | ₹ 700       |
| 11. Interest                                | ₹ 400       |
| 12. Dividend.                               | ₹ 900       |
17. Giving reasons state how the following are treated in estimation of national income: (6)
1. Payments of interest by banks to its depositors
  2. Expenditure of old age pensions by government
  3. Expenditure on engine oil by car service station
  4. National debt interest.

120  
 10  
 4000  
 3000  
 700  
 2000  
 400  
 6000  
 (-) 2800  
 2300  
 1000  
 700  
 400  
 900