

HOLIDAY HOMEWORK
CLASS – XII
SUBJECT – ECONOMICS
(TOPIC – NATIONAL INCOME AND AGGREGATES)

VERY SHORT ANSWER QUESTIONS

- Q. Define real flow.
- Q. Define money flow.
- Q. Should purchase of wheat in the wholesale market be treated as the purchase of final goods?
- Q. What is national debt interest?
- Q. What is meant by transfer payment?
- Q. What is meant by nominal GDP?
- Q. Define the term Macro Economics.
- Q. Define the term National Income.
- Q. Who are Normal Residents?
- Q. Briefly explain the concept of Depreciation or Consumption of Fixed Capital (CFC).

SHORT ANSWER QUESTIONS

- Q. Define intermediate goods.
- Q. What is meant by producer goods?
- Q. What is meant by capital goods?
- Q. What is fixed investment?
- Q. What do you mean by inventory investment?
- Q. What is meant by consumption of fixed capital?
- q. Define depreciation reserve fund?
- Q. Briefly explain the concept of Net Indirect Tax.
- Q. Define the term Net Factor Income from Abroad & explain its components.
- Q. Define the following Concepts of Value of Output.

LONG ANSWER QUESTIONS

- Q. Explain the methods of measuring NI. Also state their precautions.
- Q. Define the term Double counting with the help of an example.
- Q. Explain the related aggregates of National Income.
- Q. How private income is different from National Income?
- Q. Differentiate between Real & Nominal GDP.
- Q. Which one is a better indicator of economic growth & why?
- Q. What is meant by economic welfare? What is its indicator?
- Q. Explain the limitations of Per Capita Real GDP as Indicator of Economic Welfare.
OR “The economic growth of a country is rising but most of the people are still poor & there is a huge environmental pollution.” Explain.

Q. How Real GDP is derived?

Q. Explain the circular flow of Income & Product (two sector model).

**Q. How are the following treated while estimating private final consumption expenditure
Give reasons for your answer.**

Q. Differentiate between stock & flow.

Q. How will you treat the following in the calculation of gross domestic product of India? Give reasons for your answers.

(i) Profit earned by a branch of foreign Bank in India.

(ii) Salaries of Indian employees working in embassy of Japan in India

(iii) Salaries of residents of Japan working in Indian embassy of Japan

Q. Classify the following expenditures as intermediates consumption expenditures and finals consumption expenditures.

(i) Expenditure on research and development by TATA on Nano car.

(ii) Insurance premium paid by a firm to an insurance company.

(iii) Insurance premium paid by households to an insurance company.

(iv) Expenditure on repairs and maintenance of plant and machinery.

(v) Expenditure incurred by a firm on purchase of equipment.

(vi) Advertising expenditure incurred by Airtel on promotion of its product.

(vii) Business expenses of employees on tour and entertainment.

TRUE & FALSE

1. Nominal GDP can never be less than real GDP.

2. Good produced for self-consumption will be included in national income.

3. Increase in stock of goods held by a consumer will contribute to capital formation.

4. Gross domestic capital formation is always greater than gross fixed capital formation.

5. Productions of services for self-consumption are not included in national income.