

CHOITHRAM SCHOOL MANIKBAGH INDORE

CLASS XII Session: 2017-18

SUBJECT-Economics
Scheduled Date-8/9/2017ASSIGNMENT No.-3
Submission Date.-12/09/2017

Q.no	Questions																								
1.	Who is considered as normal resident of a country?																								
2.	State the meaning of injection in income flow, with the help of an example.																								
3.	What do you mean by leakage in income flow?																								
Very Short Answer																									
4	Which of the two NVAFC and NVAMP is equal to sum of factor income.																								
5	If the Real GDP is ` 400 and Nominal GDP is ` 450, calculate the Price Index (base = 100).																								
6	Differentiate between 'Collusive and non-collusive oligopoly.																								
7	What will happen if the price prevailing in the market is above the equilibrium price?																								
Short Answer																									
8	Giving reasons explain whether the following are included in domestic product of India. (i) Profit earned by a branch of foreign bank in India. (ii) Payment of salaries to its staff by an embassy located in New Delhi. (i) Interest received by an Indian resident from firms abroad																								
9	Explain the steps of measuring national income by income method.																								
10	Explain how change in price of a substitute commodity would affect market equilibrium of the commodity X.																								
Long answer																									
11	There are only two producing sectors A and B in an economy. Calculate : (a) Gross value added at market price by each sector (b) National income. <table style="width: 100%; border: none;"> <tr> <td></td> <td style="text-align: right;">Rs. (Crore)</td> </tr> <tr> <td>(i) Net factor income from Abroad.</td> <td style="text-align: right;">20</td> </tr> <tr> <td>(ii) Sales by A</td> <td style="text-align: right;">1000</td> </tr> <tr> <td>(iii) Sales by B</td> <td style="text-align: right;">2000</td> </tr> <tr> <td>(iv) Change in stock of B</td> <td style="text-align: right;">(-) 200</td> </tr> <tr> <td>(v) Closing stock of A</td> <td style="text-align: right;">50</td> </tr> <tr> <td>(vi) Opening stock of A</td> <td style="text-align: right;">100</td> </tr> <tr> <td>(vii) Consumption of fixed capital by A and B</td> <td style="text-align: right;">180</td> </tr> <tr> <td>(viii) Indirect taxes paid by A and B</td> <td style="text-align: right;">120</td> </tr> <tr> <td>(ix) Purchase of raw material by A</td> <td style="text-align: right;">500</td> </tr> <tr> <td>(x) Purchase of raw material by B</td> <td style="text-align: right;">600</td> </tr> <tr> <td>(xi) Exports by B</td> <td style="text-align: right;">70</td> </tr> </table> [Ans. : Rs. 1370 Crore]		Rs. (Crore)	(i) Net factor income from Abroad.	20	(ii) Sales by A	1000	(iii) Sales by B	2000	(iv) Change in stock of B	(-) 200	(v) Closing stock of A	50	(vi) Opening stock of A	100	(vii) Consumption of fixed capital by A and B	180	(viii) Indirect taxes paid by A and B	120	(ix) Purchase of raw material by A	500	(x) Purchase of raw material by B	600	(xi) Exports by B	70
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12	From the following data, calculate national income by (a) Income method (b) expd. method. <table style="width: 100%; border: none;"> <tr> <td></td> <td style="text-align: right;">Rs. (Crore)</td> </tr> <tr> <td>(i) Interest</td> <td style="text-align: right;">150</td> </tr> <tr> <td>(ii) Rent</td> <td style="text-align: right;">250</td> </tr> <tr> <td>(iii) Govt. Final Consumption Expd.</td> <td style="text-align: right;">600</td> </tr> <tr> <td>(iv) Pvt. Final Consumption Expd.</td> <td style="text-align: right;">1200</td> </tr> <tr> <td>(v) Profits.</td> <td style="text-align: right;">640</td> </tr> <tr> <td>(vi) Compensation of employees</td> <td style="text-align: right;">1000</td> </tr> <tr> <td>(vii) NFIA</td> <td style="text-align: right;">30</td> </tr> <tr> <td>(viii) Net Exports</td> <td style="text-align: right;">(-) 40</td> </tr> <tr> <td>(ix) Net Indirect tax</td> <td style="text-align: right;">60</td> </tr> <tr> <td>(x) Consumption of Fixed capital</td> <td style="text-align: right;">50</td> </tr> <tr> <td>(xi) Net domestic capital formation</td> <td style="text-align: right;">340</td> </tr> </table>		Rs. (Crore)	(i) Interest	150	(ii) Rent	250	(iii) Govt. Final Consumption Expd.	600	(iv) Pvt. Final Consumption Expd.	1200	(v) Profits.	640	(vi) Compensation of employees	1000	(vii) NFIA	30	(viii) Net Exports	(-) 40	(ix) Net Indirect tax	60	(x) Consumption of Fixed capital	50	(xi) Net domestic capital formation	340
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