

CHOITHRAM SCHOOL MANIKBAGH INDORE
CLASS XII Session: 2018-19

SUBJECT: Economics
Scheduled Date: 22/09/2018

ASSIGNMENT No. 3
Submission Date: 27/09/2018

Q.no	Questions	Mark
Very Short Answer		
1.	What is transfer payment?	1
2.	Give one example of 'externality' which reduces welfare of the people.	1
3.	When is the national income larger than domestic factor income?	1
Very Short Answer		
4.	Explain how 'non-monetary exchanges' are a limitation in taking domestic product as an index of welfare?	2
5.	Are the wages and salaries received by Indians working in American Embassy in India a part of Domestic Product of India? Give reasons	2
6.	How will you treat the following while estimating domestic product of India? Give reasons. (i) Rent received by a resident Indian from his property in Singapore. (ii) Profits earned by a branch of an American Bank in India.	2
7.	State whether the following is a stock or flow: (a) Wealth, (b) Cement production, (c) Saving of a household, and (d) Income of household. Give reason.	2
Short Answer		
8.	Will the following be included in gross domestic product / Domestic Income of India? Give reasons for each answer. (i) Consultation fee received by a doctor. (ii) Purchase of new shares of a domestic firm. (iii) Profits earned by a foreign bank from its branches in India. Services charges paid to a dealer (broker) in exchange of second hand goods.	3
10.	Calculate NI by income and expenditure method: (i) Subsidies 5 (ii) Private final consumption expenditure 100 (iii) NFIA (-) 10 (iv) Indirect Tax 25 (v) Rent 5 (vi) Government final consumption expenditure 20 (vii) Net domestic fixed capital formation 30 (viii) Operating surplus 20 (ix) Wages 50 (x) Net export (-) 5 (xi) Addition to stock (-) 5 (xii) Social security contribution by employers 10 (xiii) Mixed income 40	3
Long answer		
11.	Will the following be included in gross domestic product / Domestic Factor Income of India? Give reasons for each answer. (i) Old age pension given by govt. (ii) Factor income from abroad. (iii) Salaries to Indian residents working in American embassy in India. (iv) Compensation of employees given to residents of china working in Indian embassy in China. (v) Profit earned by a company in India, which is owned by a non-resident. (vi) Profit earned by an Indian company from its branch in Singapore.	5
Q12	Estimate the following with the help of given data: (i) GDPMP , (ii) Net Value Added at factor cost; and (iii) prove that it is equal to the income generated. (Rs. in Crores) (i) Increase in the stock of unsold goods 1000 (ii) Sales 10,000 (iii) Net indirect tax 800 (iv) Purchase of raw materials from other firms 1650 (v) Purchase of fuel and power 850 (vi) Consumption of fixed capital 500 (vii) Rent 700 (viii) Wages and salaries 3500 (ix) Interest payment 1000 (x) Dividend 1500 (xi) Corporate gain tax 300 (xii) Undistributed profit	

CHOITHRAM SCHOOL, MANIK BAGH