AHSEC Class XII Economics Test Paper

Chapter: National Income and Related Aggregates

Full Marks: 50

Time: 1½ hours

Instructions:

- Attempt all questions.

- Marks are indicated against each question.

A. Very Short Answer Questions (1 mark each x 5 = 5 marks)

1. Define national income.

2. What is the value of intermediate goods?

3. Give one example of transfer income.

4. What is depreciation?

5. Write the formula of GDPMP.

B. Short Answer Questions (2 marks each x 5 = 10 marks)

6. Distinguish between stock and flow.

7. What is the difference between GDP and GNP?

8. Define domestic territory with one example.

9. What is the meaning of net factor income from abroad (NFIA)?

10. Why are transfer payments not included in national income?

C. Short Answer Type - II (3 marks each x 5 = 15 marks)

11. Explain any three components of factor income.

12. Explain the difference between real GDP and nominal GDP.

13. Calculate national income using the expenditure method:

   Private final consumption expenditure = Rs. 5,000

   Government final consumption expenditure = Rs. 2,000

   Gross domestic capital formation = Rs. 1,500

   Net exports = Rs. (-200)

   Depreciation = Rs. 300

   Net factor income from abroad = Rs. 100

   Indirect taxes = Rs. 400

Subsidies = Rs. 100

14. Differentiate between factor income and transfer income with examples.

15. Write any three precautions while calculating national income by income method.

D. Long Answer Questions (4 marks each x 5 = 20 marks)

16. Explain any four steps involved in the income method of calculating national income.

17. Distinguish between domestic income and national income.

18. Explain the precautions to be taken while using the expenditure method.

19. From the following data, calculate Net National Product at Factor Cost (NNPFC):

    Compensation of employees = Rs. 8,000

    Rent = Rs. 2,000

    Interest = Rs. 1,000

    Profit = Rs. 3,000

    Mixed income of self-employed = Rs. 2,500

    Net indirect tax = Rs. 1,000

    Net factor income from abroad = Rs. 500

    Consumption of fixed capital (depreciation) = Rs. 800

20. Explain the circular flow of income with a diagram (two-sector model only).