

# KENDRIYA VIDYALAYA SECL, JHAGRAKHAND

## HOLIDAY HOMEWORK FOR SUMMER VACATION

### CLASS- XII (COMM.) SUBJECT: ECONOMICS

1. What do you mean by circular flow of income? Explain in two sector economy.
2. What do you mean by investment or capital formation? Name its various concepts.
3. Briefly explain the production method of measuring national income.
4. What is double counting? How can it be avoided?
5. What do you mean by stock and flow variable?
6. Distinguish between domestic product and national product.
7. Distinguish between Factor income and transfer income.
8. Distinguish between Intermediate product and final product.
9. Answer the following-
  - a) When will the domestic income be greater than the national income?
  - b) Why are net exports (X-M) a part of domestic income, and not a part of NFIFA?
10. Will the following factor incomes be included in domestic factor income of India?  
Give reasons for your answer.
  - (i) Compensation of employees to the residents of Japan working in Indian embassy in Japan.
  - (ii) Profits earned by a branch of foreign bank in India.
  - (iii) Rent received by an Indian resident from Russian embassy in India.
11. What is meant by gross domestic product? Explain any three limitations of gross domestic product as a measure of economic welfare.
12. Explain the difference between depreciation and capital loss.
13. Explain the difference between consumer goods and capital goods.
14. Explain the difference between real flow and money flow.
15. "GDP is a good Indicator of Economic Welfare". Explain.
16. Explain the difference between Nominal GDP and Real GDP.
17. Explain the difference between factor cost and market price.
18. Explain the precaution regarding estimation of national income while using Income method.
19. Explain the precaution regarding estimation of national income while using expenditure method.
20. Explain the precaution regarding estimation of national income while using value added method.
21. Outline of Expenditure, Income and Value-added method to calculate National Income.

22. Define the following: -

- (a) Normal Resident of a country
- (b) Domestic territory
- (c) Externalities
- (d) GDP Deflator

Subject teacher- Mr. Pear Say  
PGT(Eco)