**Tutorial 13**

**National Income Accounting**

Q1. GNP at market price is Rs. 2000 crores and the capital stock is worth Rs. 4000 crores. The capital stock depreciates at 12.5% per annum. Factor income from abroad is 400 crores and factor income to abroad be Rs. 600 crores. Indirect taxes amount to Rs. 200 crores and subsidies are Rs. 30 crores. Find out:

a. NDP at Market price (Ans: 1700 Cr.)

b. NDP at Factor cost (Ans: 1530 Cr.)

Q2. Based on the following information calculate GNP at market price by Expenditure Method and GDP at market price by Income Method. (260 cr. & 255 Cr.)

|  |  |  |
| --- | --- | --- |
| S.N. | Items | Rs. In million |
| 1 | Private final consumption expenditure | 200 |
| 2 | Government final consumption expenditure | 20 |
| 3 | Gross domestic capital formation | 40 |
| 4 | Net exports | (-)5 |
| 5 | Wages and salaries | 165 |
| 6 | Employer’s contribution to social security schemes | 10 |
| 7 | Profits | 15 |
| 8 | Interest | 20 |
| 9 | Indirect taxes | 30 |
| 10 | Subsidies | 5 |
| 11 | Rent | 15 |
| 12 | Net factor income from abroad | 5 |
| 13 | Consumption of fixed capital or depreciation | 5 |

Q3. From the data given below calculate National Income by a) Income Method and b) Expenditure Method. (Ans. 62069 Cr.)

|  |  |  |
| --- | --- | --- |
| S.N. | Items | Rs. In million |
| 1 | Government final consumption expenditure | 7341 |
| 2 | Indirect taxes | 8834 |
| 3 | Gross fixed capital formation | 13248 |
| 4 | Mixed income from self employed | 29267 |
| 5 | Subsidies | 1120 |
| 6 | Change in stock | 3170 |
| 7 | Rent, interest and profit | 9637 |
| 8 | Depreciation | 4046 |
| 9 | Private final consumption expenditure | 51177 |
| 10 | Exports of goods and services | 4812 |
| 11 | Net factor income from abroad (NFIA) | (-)255 |
| 12 | Compensation of employees | 23420 |
| 13 | Import of goods and services | 5664 |

Q4. Industry A sells raw materials worth Rs. 100 to B, Industry B sells semi-manufactured goods for Rs. 100 to Industry C and for Rs. 50 to Industry D. Industry C sells processed food for Rs. 100 to D and for Rs 150 to private consumption. Industry D sells the finished goods to private consumption for Rs. 300. Find out i) value added by industry of origin and ii) national income.(Ans: Rs. 450)