



INDIAN SCHOOL AL WADI AL KABIR

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| Class: XII | Department: Commerce |
| Worksheet No: 2 | Topic: National Income Aggregates (Part:2) |

MCQ

- Select the meaning of non-market activities from the following options
 - Production
 - Non-marketable**
 - Involuntary
 - Economic

- Nominal GNP is the same as,
 - GNP at constant prices
 - Real GNP
 - GNP at current prices**
 - GNP less net factor income from abroad

- Which of the following is an example of transfer payment:
 - Free meals in the company canteen
 - Employers' contribution to social security
 - Retirement pension
 - Old-age pension**

- In terms of Economics, total value of output (goods and services) produced and income received in a year by the domestic residents of a country put together is called?
 - Net National Product
 - Gross national product**
 - Gross national income

d. National Income

5. What is real flow?

Answer: Real flow is the flow of services and goods between different sectors of an economy. For instance, flow sector services flow from the household to the enterprise and then vice versa, i.e., from the enterprise to the household again.

6. What must be added to the domestic factor income to avail national income?

Answer: Net factor income from abroad must be added to the domestic factor income to avail national income.

7. Providing the reason, explain whether the following are included in the domestic product of India.

Profits earned by a branch of the foreign bank in India

Answer: Profits earned by a branch of the foreign bank in India will be included in the domestic income of India because the profits are earned within the domestic territory of India

8. Providing the reason, explain whether the following will be included in the domestic product of India.

Payment of salaries to its staff by an embassy located in New Delhi

Answer: Payment of salaries to its staff by an embassy located in New Delhi will not be involved in the domestic income of India as it is not a part of the domestic territory of India.

9. Providing the reason, explain whether the following will be included in the domestic product of India.

- Interest received by an Indian resident from its abroad firms

Answer: Interest received by an Indian resident from its abroad firms will not be included in the domestic income of India because it is the factor income from abroad.

NUMERICAL PROBLEM:

10.

Calculate the net value added at the market price of a firm:

| Items | Amount |
|-------------------------------------|--------|
| Sale | 400 |
| Change in stock | -20 |
| Depreciation | 30 |
| Net indirect taxes | 40 |
| Purchase of machinery | 200 |
| Purchase of an intermediate product | 250 |

Answer:

Value of output = Sale + Change in stock

$$= 400 + (-) 20$$

$$= 380$$

Gross value added at MP = Value of output – Purchase of an intermediate product

$$= 380 - 250 = 130/-$$

Net value added at MP = Gross value added at MP – Depreciation

$$= 130 - 30 = 100/-$$

Thus, the final answer = ₹ 100/-