Brain International School
Vikas Puri, New Delhi

ASSIGNMENT NO. 1

SUBJECT: ECONOMICS   **CLASS-XII**   **APRIL,2025**

MACROECONOMICS

CH 1: CIRCULAR FLOW OF INCOME

Q1. Circular flow of income in a two-sector economy is based on the axiom that one person's expenditure
is other person's income. Do you agree with the given statement? Support your answer with valid reasons.

Q2. Disposition phase of circular flow of income involves flow of factor, income, which comprises of rent,
wages, interest, and profits from firms to household. Defend or refute the statement, giving valid reason and support of your answer.

Q3. Explain the circular flow of income.

CH 2 : BASIC CONCEPTS OF MACROECONOMICS

Q1. Why is wealth considered a stock and investment a flow?

Q2. Under what condition domestic income can be greater than national income?

Q3. Income from the sale of second hand good is a part of domestic income or not?

Q4. What is meant by outflow of foreign capital? Give one example.

Q5. Whether goods lying with the traders are intermediate goods or final goods?

Q6. Why is consumption of fixed capital included in gross investment?

CH 3: NATIONAL INCOME AND RELATED AGGREGATES

Q1. Suppose the GDPmp of a country in a particular year is Rs.2500 Crores. On the basis of following information, calculate the net factor income from abroad.

	Rs.Crores
(i) GDPfc	5,000
(ii) Depreciation	150
(iii) Net Indirect Taxes	250
(iv) NNPfc	5,800

(Hints for Ans. Rs. 950 Crores)

Q2. Calculate the net indirect tax from the following data :-

	Rs. Crores
(i) GDP MP	8,000
(ii) NFIA	400
(iii) Depreciation	200
(iv) NDP FC	7,000

(Hints for Ans. Rs. 800 Crores).

CH 4: MEASUREMENT OF NATIONAL INCOME

Q1. Calculate GDP at Market Price (GDP_MP) from the following data (in ₹ crore):
  Private Final Consumption Expenditure = 8,000
  Government Final Consumption Expenditure = 3,000
  Gross Domestic Capital Formation = 2,500
  Exports = 1,200
  Imports = 1,000

  GDPMP=₹13,700 crore

Q2. Find Net National Product at Factor Cost (NNP at FC) from the following data (in ₹ crore):
  GDP at Market Price = 18,000
  Depreciation = 2,000
  Net Indirect Taxes = 1,500
  Net Factor Income from Abroad = 300
  NNPFC=₹14,800 crore

Q3. Calculate Net National Product at Factor Cost (NNP at FC) / National Income from the following data (in ₹ crore):
  Wages & Salaries = 10,000
  Rent = 2,500
  Interest = 1,800
  Profit = 3,000
  Mixed Income of Self-Employed = 4,000
  Net Factor Income from Abroad = 500

  NNPFC=₹21,800 crore