



ASSIGNMENT NO. 1

SUBJECT: ECONOMICS

CLASS-XII

APRIL -MAY'2026

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 GDP_{mp} 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) GDP _{fc}	5,000
(ii) Depreciation	150
(iii) Net Indirect Taxes	250
(iv) NNP _{fc}	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