

CAMBRIAN PUBLIC SCHOOL

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SUMMER ASSIGNMENT

CLASS 12

SUBJECT- ECONOMICS

1. Differentiate between final goods and intermediate goods with example.
2. Why is the distinction between final and intermediate goods important in national income accounting?
3. A company named tech Info Ltd. Manufactures printers. The company purchases machinery from Germany to manufacture printers. These printers are sold in the domestic and foreign market to households and dealers. The machine purchased and printers manufactured, both can be classified as final goods.
4. A company produces machines. One machine is sold to another firm, and another machine is bought by school for training students.

Questions:

- a) Classify both machines as final or intermediate goods.
 - b) Give reason for your answer.
5. A carpenter buys wood worth rs.10,000 and makes furniture worth rs.25,000, which is sold to a household.

Questions:

- a) Identify intermediate and final goods.
 - b) Explain why only final goods are included in nation income.
 - c) Calculate Value Added
6. State whether the money supply is stock variable or flow variable.
7. If the government announces an 'increase in foreign exchange reserves' over the year 2025-26, this increase is stock variable / flow variable.
8. Assertion (A): Wealth is a stock concept.

Reason (R): It is measure over a period of time.

Alternatives:

- a. The Assertion (A) and Reason (R) are true and Reason(R) is correct explanation of Assertion (A)
 - b. Both Assertion (A) and Reason(R) are true and Reason (R) is not the correct explanation of Assertion (A)
 - c. Assertion (A) is true but Reason(R) is false
 - d. Assertion (A) is false but Reason (R) is true
9. Read the following text carefully:

“A country’s total national income at the end of the year is Rs.80,000 crore. During the same year, the GDP increased by Rs.10,000 crore. The depreciation on capital goods was Rs.2,000 crore and national savings at the end of year is Rs15,000 crore. Additionally, country invested Rs.8,000 crore in new capital goods industries.”

In the light of above text, categories the items as ‘stock’ or ‘flow’ variables with valid arguments.

10. Ravi works as a teacher in private school and receives Rs.40,000 per month as salary. He also owns a small shop which he has rented out earns Rs.10,000 per month as rent. Additionally, he receives Rs.2,000 per month as pension from the government.

Questions:

- Identify which incomes is factor income and which is transfer income.
- Give reasons for your classification.
- Calculate Ravi’s total factor income.

NUMERICALS

1. Calculate a) Operating Surplus, and b) Domestic Income;

Items	₹ in Crore
i) Compensation of Employees	2,000
ii) Rent and interest	800
iii) Indirect Taxes	120
iv) Corporation tax	460
v) Consumption of fixed capital	100
vi) Subsidies	20
vii) Dividend	940
viii) Undistributed Profits	300
ix) Net Factor Income to abroad	150
c) Mixed Income	200

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2. Calculate National Income

Items	(₹ in crore)
i) Compensation of employees	2,000
ii) Profit	800

iii) Rent	300
iv) Interest	250
v) Mixed income of self employed	7000
vi) Net current transfers to abroad	200
vii) Net Exports	- 100
viii) Net indirect taxes	1,500
ix) Net Factor income to abroad	60

3. Calculate the Net National Product at Market Price

Items	(₹ in Crore)
1. Mixed income of self Employed	8000
2. Depreciation	200
3. Profit	1000
4. Rent	600
5. Interest	700
6. Compensation of employees	3000
7. Net indirect taxes	500
8. Net factor income to abroad	60
9. Net exports	(-) 50
10. Net current transfers to abroad	20

4. Find Net National Product at Market Price:

Items	(₹ in crore)
1. Personal taxes	200
2. Wage and Salaries	1200
3. Undistributed Profit	50
4. Rent	300

5. Corporation tax	200
6. Private Income	2000
7. Interest	400
8. Net Indirect tax	300
9. Net factor income to abroad	20
10. Profit	500
11. Social Security contributions by employers	250

5. Calculate Net Domestic Product at Market Price from the following.

Items	(₹ in crore)
1. Income from domestic product accruing to government	120
2. Wages and Salaries	400
3. National Debt Interest	60
4. Profit	200
5. Net Factor income to abroad	- 20
6. Rent	100
7. Current transfers from government	30
8. Interest	150
9. Social Security contribution by employers	50
10. Net indirect tax	70
11. Net current transfers to abroad	- 10

6. Calculate 'Gross National Product at Market Price' from the following.

Items	(₹ in crore)
1. Net factor income to abroad	- 10
2. Net current transfers to abroad	20

3. Wages and Salaries	400
4. Corporation tax	50
5. Profit after corporation tax	150
6. Social Security contributions by employers	50
7. Rent	100
8. Interest	70
9. Mixed income of self employed	300
10. Net Indirect tax	140
11. Consumption of fixed capital	80

7. Calculate 'Net National Product at Factor Cost from the following:-

Items	(₹ in crore)
1. Social Security contributions by employees	90
2. Wages and Salaries	800
3. Net Current transfers to abroad	- 30
4. Rent and Royalty	300
5. net factor income to abroad	50
6. Social security contributions by employers	100
7. Profit	500
8. Interest	400
9. Consumption of fixed capital	200
10. Net indirect tax	250

8. Calculate 'Net National Product at Factor Cost from the following:-

Items	(₹ in crore)
1. National debt interest	60

2. Wages and salaries	600
3. Net current transfers to abroad	20
4. Rent	200
5. Transfer payments by government	70
6. Interest	300
7. Net domestic product at factor cost accruing to government	400
8. Social security contributions by employers	100
9. Net factor income paid to abroad	50
10. Profits	300

9. From the following data, calculate National Income:-

Items	(₹ in crore)
1. Profit	1500
2. Rent	1300
3. Net Indirect taxes	350
4. Mixed income of self employed	600
5. Compensation of employees	3000
6. Reimbursement to the employees for medical expenses	300
7. Depreciation	200
8. Excess of factor income to rest of the world over factor income from rest of the world	50
9. Excess of imports over exports	40
10. Interest	1100

10. Calculate Operating Surplus from the following data:-

Items	(₹ in crore)
1. Compensation of employees	300

2. Indirect taxes	200
3. Consumption of fixed Capital	100
4. Subsidies	50
5. Gross Domestic Product at market price	600

11. The following information is available for an economy, On the basis of this information using income method, calculate: a) Domestic Income, and b) National Income

Items	(₹ in crore)
1. Wages	10,000
2. Rent	5,000
3. Interest	400
4. Dividend	3,000
5. Mixed Income	400
6. Undistributed profit	200
7. Social Security Contribution	400
8. Corporate profit tax	400

**12. Given the following data and using income method calculate:-
Domestic Income and National Income**

Items	(₹ in crore)
1. Indirect taxes	9000
2. Subsidies	1800
3. Depreciation	1700
4. Mixed Income of self employed	28000
5. Operating surplus	10000
6. Net factor income from abroad	- 300

7. Compensation of employees	24000
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