



# INDIAN SCHOOL DARSAIT DEPARTMENT OF COMMERCE



Subject : Economics	Topic : National Income & Related Aggregates	Date of Worksheet : _____
Resource Person:Ekta Gautam		Date of Submission: _____
Name of the Student : _____	Class & Division : _____	Roll Number : ____

S.No.		Marks
1.	Give one example of “externality” which reduces welfare of the people.	1
2.	Give two examples of intermediate goods.	1
3.	Define domestic product.	1
4.	Define national income.	1
5.	Define gross investment.	1
6.	What are the four factors of production and what are the remunerations to each of these called?	1
7.	Explain the circular flow of income.	3
8.	Distinguish between stock and flow. Between net investment and capital which is stock and which is a flow? Compare net investment and capital with flow of water into a tank.	3
9.	Distinguish between intermediate goods and final goods. Give examples of each.	3
10.	Sale of petrol and diesel cars is rising particularly in big cities. Analyse its impact on gross domestic product and welfare.	4
11.	How will you treat the following while calculating domestic product of India? Give reasons for your answer. (i) Profits earned by a foreign company in India. (ii) Salary of Indian residents working in Russian embassy in India.	4
12.	Distinguish between stocks and flows. Give two examples of each.	4
13.	What are externalities? Give an example of positive externality and its impact on welfare of the people.	4
14.	What are non-monetary exchanges? Give an example. Explain their impact on use of gross domestic product as an index of welfare of the people?	4
15.	Giving reasons categorise the following into stock and flow: (i) Capital (ii) Saving (iii) Wealth (iv) Gross domestic product	4

16. Giving reasons, explain how should the following be treated in estimating gross domestic product at market price. 6
- (i) Fees to a mechanic paid by a firm.
  - (ii) Interest paid by an individual on a car loan taken from a bank.
  - (iii) Expenditure on purchasing a car for use by a firm.
17. How should the following be treated in estimating national income of a country? You must give reason for your answer. 6
- (i) Taking care of aged parents.
  - (ii) Payment of corporate tax.
  - (iii) Expenditure on providing police services by the government.
18. Write down some of the limitations of using GDP as an index of welfare of a country. 6
19. Write down the three identities of calculating the GDP of a country by the three methods. Also briefly, explain why each of these should give us the same value of GDP? 6
20. How should the following be treated in estimating national income of a country? You must give reason for your answer. 6
- (i) Bonus paid to employees.
  - (ii) Addition to stocks during a year.
  - (iii) Purchase of taxi by a taxi driver.
21. Explain the precautions that should be taken while estimating national income by expenditure method. 6
22. How will you treat the following while estimating domestic product of a country? Give reasons for your answer: 6
- (i) Profits earned by branches of country's bank in other countries.
  - (ii) Gifts given by an employer to his employees on Independence Day.
  - (iii) Purchase of goods by foreign tourists.