



Time: 1 Hr.

M.M : 30

General Instructions:-

I. All questions are compulsory.

II. Attempt all the theoretical questions with proper basis(headings).

Q. No 1-10 carry 1 mark, Q. No 11-12 carry 3 marks, Q. No 13-14 carry 4 marks, Q. NO 15 carry 6 marks.

Q.No.	Questions	Marks
1	Read the following statements carefully and choose the correct alternative from the following:- Statement 1:- Intermediate goods are included in national income but not in domestic income. Statement 2:- Intermediate goods are used up in the same year. Alternatives:- A) Both the statements are true. B) Both the statements are false. C) Statement 1 is true and statement 2 is false. D) Statement 2 is true and statement 1 is false.	1
2	Read the following statements assertion and reason, choose one of the correct alternatives given below:- Assertion:- Production of services for self consumption are not included in national income. Reason:- Domestic services are already included in the value of final goods. If they are included again, it will lead to double counting. Alternatives:- A) Both assertion and reason are true and reason is the correct explanation of assertion. B) Both assertion and reason are true and reason is not the correct explanation of assertion. C) Assertion is true but reason is false. D) Assertion is false but reason is true	1
3	Read the following statements assertion and reason, choose one of the correct alternatives given below:- Assertion:- Domestic income is equal to national income in case of closed economy. Reason:- Closed economy has no economic relations with rest of the world. Alternatives:- A) Both assertion and reason are true and reason is the correct explanation of assertion. B) Both assertion and reason are true and reason is not the correct explanation of assertion. C) Assertion is true but reason is false. D) Assertion is false but reason is true	1
4	Define GDP Deflator. Write its formula also.	½+½
5	Suppose a ban is imposed on consumption of tobacco. Examine its likely effects on GDP and welfare.	½+½
6	Market price will be equal to factor cost when:- A) Indirect taxes are zero. B) Indirect taxes are equal to subsidies C) No indirect tax and no subsidies. D) Both B & C.	1
7	Which of the following is a flow ? A Deposits in a bank. B) Capital. C) Depreciation. D) Wealth	1

8	Refrigerator purchased by a confectionary shop is an example of: A) Final good. B) Intermediate goods C) Capital good. D) Both A and C	1												
9	Net domestic product at factor cost is less than national income when:- A) Net factor income from abroad is positive B) Net factor income from abroad is negative C) Net factor income from abroad zero D) Net exports are positive	1												
10	Read the following statements carefully and choose the correct alternative from the following:- Statement 1:- Real flow refers to the flow of factor services from firms to households. Statement 2:- Flow of goods and services and factors of production across different sectors in a barter economy is known as capital flow. Alternatives:- A) Both the statements are true. B) Both the statements are false. C) Statement 1 is true and statement 2 is false. D) Statement 2 is true and statement 1 is false.	1												
11	In a single day, Raju, the Barber, collects ₹ 500 from haircuts; Over this day, his equipment depreciates in value by ₹ 50. Of the remaining ₹ 450, Raju pays indirect tax worth ₹ 30, takes home ₹ 200 and retains ₹ 220 for improvement and buying of new equipment. He further pays ₹ 20 as income tax from his income. Based on this information, complete Raju's contribution to the following measures of income or Calculate the following Aggregates. (A) GDP (B) NNP at MP (C) NNP at FC.	3												
12	Which among the following are final goods and which are intermediate goods? Give reasons. 1 Milk purchased by a tea stall. 2 Bas purchased by a school. 3 Juice purchased by a student from the school canteen. OR Use following information of an imaginary economy:-	1 1 1												
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Year	2014-15	2015-16	2016-17											
Nominal GDP	6.5	8.4	9											
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14	(A) If in a locality, a new park is developed by the Municipal Corporation, will have externalities, both positive and negative. State one example each of both types of externalities with the reason. (B) Distinguish between domestic income and national income.	2 2												
15	From the following data calculate GNP at market price by (a) Income method and (b) Expenditure method:-	3+3												
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5 Profits	210
6 Corporation tax	50
7 Rent	100
8 Factor income from abroad	20
9 Indirect taxes	55
10 Factor income to abroad	40
11 Exports	60
12 Subsidies	25
13 Imports	80
14 Consumption of fixed capital	20
15 Private final consumption expenditure	500
16 Compensation of employees	450



OSDAV Public School, Kaithal

First Unit Test (May, 2024)

Class : XII

Subject : Economics (030)

SET- B

Time: 1 Hr.

M.M : 30

General Instructions:-

I. All questions are compulsory.

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Q. No 1-10 carry 1 mark, Q. No 11-12 carry 3 marks, Q. No 13-14 carry 4 marks, Q. NO 15 carry 6 marks.

Q.No.	Questions	Marks
1	Market price will be equal to factor cost when:- A) Indirect taxes are zero. B) Indirect taxes are equal to subsidies C) No indirect tax and no subsidies. D) Both B & C.	1
2	Which of the following is a flow ? A) Deposits in a bank. B) Capital. C) Depreciation. D) Wealth	1
3	Refrigerator purchased by a confectionary shop is an example of: A) Final good. B) Intermediate goods C) Capital good. D) Both A and C	1
4	Net domestic product at factor cost is less than national income when:- A) Net factor income from abroad is positive B) Net factor income from abroad is negative C) Net factor income from abroad zero D) Net exports are positive	1
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15 Private final consumption expenditure	500
16 Compensation of employees	450

Ans Key with Marking Scheme
MAY Unit Test, 2024
Subject:- Economics

SET - A

Q.No	Correct Answers	Marks
1	B) Both the statements are false.	1
2	C) Assertion is true but reason is false.	1
3	A Both Assertion and reason are true and reason is the correct explanation of a Assertion.	1
4	GDP deflator is the ratio between Nominal and Real GDP GDP Deflator = $\text{Nominal GDP} / \text{Real GDP} \times 100$	1
5	GDP will decreased and welfare increased.	1
6	D Both B and C	1
7	Depreciation	1
8	Both A and C	1
9	A NFIA is positive	1
10	B) Both the statements are false.	1
11	In the given question, Depreciation = ₹ 50, Indirect taxes = ₹ 30, Retained Earnings = ₹ 220, Personal direct taxes/ income taxes ₹20. A GDP at MP = ₹500 Because Raju collected it from haircuts. B NNP at MP = GDP at MP - Depreciation $500 - 50 = ₹ 450$ C NNP at FC = NNP at MP - Indirect Taxes $450 - 30 = ₹ 420$.	1+1+1
12	A 1 It is an intermediate good as milk is purchased by a tea stall for further production. 2 it is a final good as bus is treated as an investment for the school. 3 it is a final good as juice purchased by a student is meant for consumption purpose. <p style="text-align: center;">OR</p> B (i) For the year 2014-15, real GDP and Nominal GDP are same as it is the base year.	1 1 1 ½

	<p>(ii) Calculation of Real GDP:- Real GDP = Nominal GDP/GDP Deflator × 100 2014-15. 6.5 2015-16. 6 2016-17. 7.2 Real GDP declined in the year 2015-16.</p>	<p>½</p> <p>1</p> <p>1</p>									
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14	<p>A The park in neighbourhood can be a source of positive externality as it helps in reducing pollution and thereby improving health and efficiency. The park in a neighbourhood can be a source of negative externality if it is used by anti social elements. This can increase crime and lead to insecurity.</p> <p>B.</p> <table border="1" style="width: 100%;"> <thead> <tr> <th>Basis</th> <th>Domestic Income</th> <th>National Income</th> </tr> </thead> <tbody> <tr> <td>Meaning</td> <td>It refers to the sum total of factor income generated within the domestic Territory of a country whether it is earned by the normal residents or by the non residents of a country during an accounting year.</td> <td>It is the sum total of factor income generated by the normal residents of a country whether it is earned in domestic territory or outside the country.</td> </tr> <tr> <td>Formula</td> <td>NDP at FC = NNP at FC - NFIA</td> <td>NNP at FC = NDP at FC + NFIA</td> </tr> </tbody> </table>	Basis	Domestic Income	National Income	Meaning	It refers to the sum total of factor income generated within the domestic Territory of a country whether it is earned by the normal residents or by the non residents of a country during an accounting year.	It is the sum total of factor income generated by the normal residents of a country whether it is earned in domestic territory or outside the country.	Formula	NDP at FC = NNP at FC - NFIA	NNP at FC = NDP at FC + NFIA	<p>2</p> <p>2</p>
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Ans Key with Marking Scheme
MAY Unit Test, 2023-24
Subject:- Economics

SET - B

Q.No	Correct Answers	Marks
1	D Both B and C	1
2	C Depreciation	1
3	D Both A and C	1
4	A Net factor income from abroad is positive.	1
5	B Both the statements are false	1
6	C Statement 1 is true but statement 2 is false.	1
7	C Assertion is true but reason is false	1
8	A Both Assertion and reason are true and reason is the correct explanation of a Assertion.	1
9	GDP deflator is the ratio between Nominal and Real GDP GDP Deflator = $\frac{\text{Nominal GDP}}{\text{Real GDP}} \times 100$	1
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11	A 1 It is an intermediate good as milk is purchased by a tea stall for further production. 2 it is a final good as bus is treated as an investment for the school. 3 it is a final good as juice purchased by a student is meant for consumption purpose. or B (i) For the year 2014-15, real GDP and Nominal GDP are same as it is the base year. (ii) Calculation of Real GDP:- Real GDP = $\frac{\text{Nominal GDP}}{\text{GDP Deflator}} \times 100$ 2014-15. 6.5 2015-16. 6 2016-17. 7.2 Real GDP declined in the year 2015-16.	1 1 1 ½ ½ 1 1
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