

Time Allowed: 45 mins.

Questions 1 to of 4marks

Maximum Marks: 22

- Q-1 Expenditure Method is also known as _____
- Q-2 _____ refers to income received for granting leasing rights of sub-soil assets.
- Q-3 Value added is a _____ concept.
- Q-4 Purchase of car by a household is a part of gross domestic capital formation. T/F
- Q-5 Free services provided by the Govt. will not be included in national income. T/F
- Q-6 Nominal GDP can never be less than Real GDP. T/F
- Q-7 Value addition can also take place even when the commodity does not go through any transformation. T/F
- Q-8 Gross Domestic product is the result of sum of Gross Domestic product at market price are one and the same thing. T/F
- Q-9
- | Column-1 | Column-2 |
|------------------------------|---|
| a) Value added method | (i) Undistributed profit |
| b) Gross domestic product | (ii) Employer's Contribution to social security schemes |
| c) Retained Earnings | (iii) GDPmp |
| d) Compensation of Employees | (iv) Inventory method |
| e) Summation of GVA mp | (v) Gross fixed capital formation+inventory investment |
- Q-10 Is Gross Domestic product a true index of economic welfare of the people? Give two reasons in support of your answer. (3)
- Q-11 What is meant by Operating surplus? State its components. (3)
- Q-12 What are externalities? State its types with suitable examples.(3)
- Q-13 Suppose a ban is imposed on consumption of liquor in the country. Examine its effect on GDP and welfare. (4)
- Q-14 Explain the precautions that should be taken while estimating national income by expenditure method. (3)