NATIONAL INCOME **CLASS-XII**

Developed By S Jena , TA Economics, ZIET Bhubaneswar

Instruction- 1.Match the following with correct option.

I. COLUMN-A	COLUMN-B
1.Net Export	1.GDPmp-NDPmp
2.Net Indirect Tax	2.GDPmp-GDPfc
3.Depreciation	3.NNPmp-NDPmp
4.Net factor income from abroad	4.GDPmp-change in stock+ intermediate consumption
5.Sale	5.Export-Import

Instruction- .Choose the correct option.

2. A student knows the value of national income of an economy. She wants to calculate domestic income. For this she needs the value of:

(a) Depreciation

(b) Net factor income from abroad

(c) Intermediate consumption

(d) Net indirect taxes

3. Suppose that the GDP at MP of a country in a particular year was Rs. 1100 crores. Net Factor Income from Abroad was Rs. 100 crores. The value of Net Indirect Taxes was Rs 150 crores and National Income was Rs. 850 crores. What is the value of Consumption of Fixed Capital?

(a) Rs. 250 crores

(b) Rs. 150 crores

(c) Rs. 100 crores

(d) Rs. 200 crore

4. Read the following statements - Assertion (A) and Reason (R). Choose one of the correct alternatives given below:
Assertion (A) GDP can never be greater than GNP

Reason (R) NFIA can be negative

a) Both Assertion (A) and Reason (R) is true is true and Reason is correct explanation for Assertion

b) Both Assertion (A) and Reason(R) is true, but Reason(R) is not correct explanation for Assertion(A)

c) Assertion is true but Reason is false

d) Assertion is false but Reason is true

Instruction- .Choose the correct option.

5. Depreciation can be negative also.

6. The Economic Survey, 2018-19 describes the vicious cycle of growth where increase in the rate of fixed investment accelerates the growth of GDP that in turn induces a higher growth in consumption. Higher growth of consumption improves the investment outlook, which results in still higher growth of fixed investment that further accelerates the growth of GDP, including a still higher growth of consumption. This cycle of higher fixed investment, higher GDP and higher consumption growth generates economic development in the country.

(a) High___________is a sign of expansion of production capacity in the economy.

(i) Gross fixed investment

(ii) Inventory investment

(iii) Gross investment

(iv) Net fixed investment

7. Which of the following is a negative externality caused to you, if you have a public park next to your house?