

P.S. Senior secondary school

Class-12

Economics worksheet

Unit 1-

Chapter 1- National Income

1. Giving reasons categorise the following into inter-mediate products and final products:
 - (i) Furniture purchased by a school and
 - (ii) Chalks, dusters purchased by a school
 - (iii) Computers installed in office and
 - (iv) Mobile sets purchased by a mobile dealer
 - (v) Machine
 - (vi) Milk purchased by a tea stall.
 - (vii) Bus purchased by a school.
 - (viii) Juice purchased by a student from school canteen.
2. How are the following treated in estimation of national income? Give reasons in support of your answer.
 - (i) Money received from sale of shares
 - (ii) Commission received by a property dealer from the buyer and seller of a house
 - (iii) Money received from sale of second-hand goods.
3. Will the following be a part of domestic factor of India? Give reasons
 - (i) Factor income from abroad
 - (ii) Salaries to Indian residents working in Russian embassy in India.
 - (iii) Profits earned by a company In India which is owned by a non-resident.
4. Are the following items included in estimation a country's national income? Answer in yes or no.
 - (i) Interest on debentures
 - (ii) Expenditure on purchase of a second-hand car
 - (iii) Sale of shares
 - (iv) Dividend received on shares
 - (v) Sale of an old house
 - (vi) Brokerage on sale of shares
5. Will the following be included in domestic factor income of India? Give reasons for your answer.
 - (i) Profits earned by a foreign bank from its branches in India
 - (ii) Profits earned by a resident of India.
 - (iii) Profits earned by a resident of India from his company in Singapore.
 - (iv) Salaries received by Indians working in American embassy in India.
6. Will the following factor incomes be included in domestic factor income of India? Give reasons for your answer.
 - (i) Compensation of employees to residents of Japan working in India embassy in Japan.
 - (ii) Rent received by an Indian resident from Russian embassy in India.
 - (iii) Profits earned by a branch of State Bank of India in England.
7. Giving reasons, explain how the following are treated while estimating national income..
 - (i) Payment of fees to a lawyer engaged by a firm.
8. Giving reasons, explain how the following are treated in estimating national income.
 - (i) Earnings of shareholders from the sale of shares
9. How will you treat the following while estimating domestic factor income of India? Give reasons for your answers.

- (i) Remittances from non-resident Indians to their families in India.
 - (ii) Rent paid by embassy of Japan in India to a resident Indian
 - (iii) Profits earned by branches of foreign bank in India
10. While estimating national income, how will you treat the following? Give reasons for your answers.
- (i) Interest received on debentures.
11. Giving reasons explain whether the following are included in national income.
- (i) Profits earned by a branch of foreign bank.
 - (ii) Interest paid by an individual on a loan taken to buy a car
 - (iii) Expenditure on machines for installation in a factory
12. How will you treat the following while estimating the national income of India?
- (i) Dividend received by an Indian from his investment in shares of a foreign country.
 - (ii) Interest received on loans given to a friend for purchasing car
13. How will you treat the following while estimating the national income of India? Give reasons
- (i) Dividend received by a foreigner for investment in shares of an Indian company.
 - (ii) Profits earned by a branch of an Indian bank in Canada
14. Giving reasons explain how the following should be treated in estimating national income.
- (i) Electricity consumed by a firm
15. Giving reasons explain how the following should be treated in estimating GDP at market price.
- (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.
16. Giving reasons explain how the following should be treated in estimation of national income
- (i) Expenditure by a firm on payment of fees to a chartered accountant.
 - (ii) Purchase of refrigerator by a firm for own use
17. Giving reasons explain how the following should be treated in estimating national income.
- (i) Payment of interest by a firm to a bank
 - (ii) Payment of interest by a bank to an individual
 - (iii) Payment of interest by an individual to a bank
18. How will you treat the following while estimating domestic product of a country? Give reasons for your answer.
- (i) Profits earned by branches of country's bank in other countries
19. Will the following be included in the domestic product of India? Give reasons for your answers.
- (i) Profits earned by foreign companies in India
 - (ii) Salaries of Indians working in the Russian embassy in India
 - (iii) Profits earned by a branch of State Bank of India in Japan