

# **HOLIDAY HOMEWORK (MACRO ECONOMICS)**

## **CLASS XII**

1. If the Real GDP is Rs. 500 and Price Index (base = 100) is 125, calculate the Nominal GDP.
1. Giving reasons, explain how the following should be treated in estimation of National Income:
  - i. Interest paid by banks on deposits by individuals
  - ii. National debt interest
2. How will you treat the following while estimating National Income? Give reasons for your answer:
  - i. Capital gain on sale of a house
  - ii. Prize won in a lottery
  - iii. Interest on public debt
3. Define Indirect Taxes and Subsidies.
4. Giving reasons, classify the following into intermediate products and final products:
  - i. Furniture purchased by a school
  - ii. Chalks, dusters etc. purchased by a school
5. Define intermediate goods and final goods. Can milk be an intermediate good? Give reason for your answer.
6. Explain the difference between GDP and GNP.
7. Distinguish between Stock and Flow concepts with examples.
8. What are Leakages in the circular flow of income? Give two examples.
9. What are Injections in the circular flow of income? Give two examples.
10. Draw and explain the circular flow of income in a three-sector economy.
11. Calculate the GDP deflator if Nominal GDP is Rs. 12,000 crore and Real GDP is Rs. 10,000 crore.
12. Discuss any two limitations of using GDP as a measure of economic welfare.
13. Explain the concept of Purchasing Power Parity (PPP).
14. Define Net National Product at Factor Cost (NNPFC). How is it related to NDPFC?