

INTRODUCTORY MACRO ECONOMICS

1. Calculate the net value added at the market price of a firm:

Items	Amount	
Sales	400	
Change in stock		-20
Depreciation	30	
Net indirect taxes	40	
Purchase of machinery		200
Purchase of intermediate product	250	

2. Find Net National Product at Market Price.

S.no.	Contents	(Rs. in Crores)
(i)	Personal Taxes	200
(ii)	Wages and Salaries	1,200
(iii)	Undistributed Profit	50
(iv)	Rent	300
(v)	Corporate Tax	200
(vi)	Personal Income	2,000
(vii)	Interest	400
(viii)	Net Indirect Tax	300
(ix)	Net Factor Income from Abroad	20
(x)	Profit	500
(xi)	Social Security Contribution by Employers	250

3. Giving reason, explain whether the following are included in domestic product of India.
 - a. Profits earned by a branch of foreign bank in India.
 - b. Payment of salaries to its staff by an embassy located in New Delhi.
 - c. Interest received by an Indian resident from its abroad firms.

INDIAN ECONOMY DEVELOPMENT

4. Why is government intervention essential in the functioning of the market?
5. In the five-year plans why the more emphasis (importance) was given towards public sector?
6. What are the causes of limited success of planning in India? Explain.