

Sub: Economics Assignment-5

- The difference between value of output and value added is:
 - Depreciation
 - Intermediate consumption
 - Net indirect taxes
 - NFIA
- Product method of calculating national income is also known as:
 - Income method
 - Value added method
 - Expenditure method
 - Distribution method
- Transfer payments refer to payments, which are made:
 - Without any exchange of goods and services
 - To workers on transfer from one job to another
 - As compensation to employees
 - None
- National Income differs from Net National Product at market price by the amount of:
 - Current transfers from rest of the world
 - Net Indirect Taxes
 - National debt interest
 - it does not differ
- $GDPMP = GDP + \underline{\hspace{2cm}}$:
 - Depreciation
 - Indirect taxes
 - NFIA
 - Subsidies
- National Income doesn't include:
 - Interest on unproductive national debt
 - Income for government expenditure
 - The payments by the household to firm for the purchase of goods and services
 - Undistributed profit
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- Which of the following is not correct ?

- (a) $NNP_{MP} = GNP_{MP} - \text{depreciation}$
 - (b) $NNP_{MP} = NNP_{FC} + \text{net indirect taxes}$
 - (c) $GDP_{MP} = GNP_{MP} + .NFIA$
 - (d) $NDP_{FC} = GDP_{FC} - \text{depreciation}$
9. Net national product at factor cost is also known as:
- (a) Net Domestic product
 - (b) Gross National product
 - (c) National Income
 - (d) Personal Income
10. In GNP calculation which of the following should be excluded?
- (a) Rental incomes
 - (b) Interest payments
 - (c) Dividends
 - (d) Government transfer payment
11. Goods purchased for satisfaction of wants are:
- (a) Capital goods
 - (b) Final goods
 - (c) Consumption goods
 - (d) Intermediate goods
12. Which of the following is an intermediate good?
- (a) Machine
 - (b) Car
 - (c) Mobile
 - (d) Sugar cane in a sugar Mill
13. Identify the stock variable.
- (a) Wealth
 - (b) Income
 - (c) Savings
 - (d) Capital formation
14. Which out of the following is not included in estimation of NI?
- (a) Subsidised Lunch
 - (b) Old-age Pension
 - (c) Free Medical facilities served in office to employees
 - (d) Construction of a house
15. Sector which transforms one physical good into another physical good:
- (a) Tertiary Sector

- (b) Secondary Sector
 - (c) Primary Sector
 - (d) Joint Sector
16. Which of the following item will not be included while calculating national income by income method?
- (a) Wages and Salaries
 - (b) Royalty
 - (c) Scholarship
 - (d) Profit
17. Which of the following item will not be included while calculating NDPMP?
- (a) Private Final Consumption Expenditure
 - (b) Consumption of Fixed Capital
 - (c) Government Final Consumption Expenditure
 - (d) Net Exports
18. Value of output is equal to:
- (a) Sales + Change in Stock
 - (b) Sales + Closing Stock
 - (c) Sales + Opening Stock
 - (d) Sales – Opening Stock
19. NDPFC will be equal to
- (a) NDPMP – Indirect Taxes
 - (b) NDPMP + Subsidies
 - (c) NDPMP – NIT
 - (d) NDPMP + Depreciation
20. Consumption of fixed capital refers to fall in the value of fixed assets
- (a) Due to normal wear and tear
 - (b) Due to abnormal wear and tear
 - (c) Due to foreseen obsolescence
 - (d) Due to normal wear and tear and foreseen obsolescence.