

Holidays Home work in different way

Class XII

Prepare the entire question and test your self

Part A

Question 1

In Economics, a good is something which,

- Is a service
- Can be a service
- Appears appealing
- Satisfies wants and needs

Answer: Satisfies wants and needs

Question 2

What is Export?

Answer: Exports are the goods and services manufactured in one nation and bought by residents of another nation. It doesn't matter what the good or service is. It can be shipped, sent by email, or carried in personal luggage on a ship or plane. If it is manufactured domestically and traded to someone in a foreign country, it is known as an export.

Question 3

Who is called the 'Father of Modern Economics'?

Answer: Adam Smith

Question 4

Differentiate between Micro and Macroeconomics.

Answer:

Microeconomics	Macroeconomics
The individual economic unit is studied	The aggregate economic unit is studied
It deals with ascertainment of cost price and output in the individual markets	It deals with ascertainment of general price and output in the whole economy
Main issues are ascertainment of price and allocation of resources	Here, the main issue is ascertainment of income level and tackling unemployment in the economy

Question 5

What are Macroeconomics and Microeconomics? What is the association between the 2?

Answer:

Macroeconomics, like a discrete part of economics, was surfaced after the British economist John Maynard Keynes issued and published his book The General Theory of Employment, Interest and Money in 1936. The

ascendent thinking in economics before Keynes was all the workers who are willing to work would find employment and all the plants (factories) will be functioning at their comprehensive capacity. This school of notion is called as the classical tradition.

Microeconomics is a branch of economics that contemplate the attributes of decision makers within the economy, such as households, individuals and enterprises. The term 'firm' is generally used to refer to all sorts of trade. Microeconomics distinct with the study of Macroeconomics, which considers the economy as an entity.

Whilst these 2 studies of the subject Economics appear to look different, they complement each other and are interdependent since there are several overlapping issues between these 2 segments. For instance, raised inflation (macro effect) would be the reason for the increase in the price of raw materials.

Question 6

What is entrepreneurship?

Answer: The meaning of entrepreneurship includes an entrepreneur who takes action to create a change in the world. Whether startup entrepreneurs solve an issue that many struggles every day, bring people together in a way no one has before or build something revolutionary that advances society, they all have one thing in common: action.

Question 7

A resource is,

- Good only
- Service only
- Good or a service
- Neither a good nor a service

Answer: Good or a service

Question 8

Cash paid against trade payable belongs to,

- No effect
- Operating activities
- Financing activities
- Investing activities

Answer: Operating activities

Question 9

The basic factors of production are land, labour, capital and,

- Enterprise
- Investment
- Machinery
- Resources

Answer: Enterprise

Question 10

Positive economics states,

- What is supposed to be
- Central problems of an economy
- What is
- What will be

Answer: What is

Question 11

Define great depression.

Answer: Economists usually attribute the beginning of the great depression to the sudden devastating collapse of the US stock market prices on October 29, 1929, known as Black Tuesday. However, a few conflicts have been arisen and check the stock crash as a symptom, rather than a cause, which is known as Great depression.

Question 12

Interest received on investment will be,

- Added (Financing activities)
- Deducted (Investing activities)
- Added (Investing activities)
- Deducted (Financing activities)

Answer: Added (Investing activities)

Question 13

What is an import?

Answer: An import is a good or service that is brought into one country from another. The word import is derived from the word 'port' since commodities are often shipped via boat to the abroad countries. Along with the exports, imports form the backbone of international trade.

Question 14

Under which type of activity would you categorise the sale of shares of another firm whilst preparing the cash flow statement?

- Financing activity
- Investing and Financing
- Operating activity
- Investing activity

Answer: Investing activity

Question 15

What is the name of the John Maynard Keynes celebrated book?

Answer: Name of the book is 'The General Theory of Employment, Interest and Money' which was published in the year 1936.

Question 1

Explain the meaning of non-market activities

- Production
- Non-marketable
- Involuntary
- Economic

Answer: Non-marketable

Question 2

What is real flow?

Answer: Real flow is the flow of services and goods between different sectors of an economy. For instance, flow sector services flow from the household to the enterprise and then vice versa, i.e., from the enterprise to the household again.

Question 3 (It is not in your syllabus but learn to understand)

Differentiate between personal income and private income.

Answer: Below mentioned are the differences between personal income and private income:

Personal Income	Private Income
It is the sum total of earned and transfer incomes received by the individuals from the income sources involves within and outside the nation. Personal income is calculated as: Personal income = Private income – Corporate tax – Corporate savings (undistributed profits)	It can be contemplated as the factor and transfer of the income received from all the private sources within and outside the country.

Question 4

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

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

Answer:

Value of Output = Sale + Change in Stock (400 + (-) 20 = 380/-)

Gross Value added at MP = Value of output – Purchase of intermediate product

= 380 – 250 = 140/-

Net value added at MP = Gross value added at MP – Depreciation

= 140 – 30 = 110/-

Thus, the final answer = ₹. 110/-

Question 5

Nominal GNP is the same as,

- GNP at constant prices
- Real GNP
- GNP at current prices
- GNP less Net factor income from abroad

Answer: GNP at current prices

Question 6

What must be added to the domestic factor income to avail national income?

Answer: Net factor income from the abroad must be added to the domestic factor income to avail national income.

Question 7

Define real GNP.

Answer: Gross national product is calculated at constant prices i.e., via base year price is known as real GNP in economics

Question 8

An example of transfer payment is,

- Free meals in the company canteen
- Employers' contribution to social security
- Retirement pension
- Old age pension

Answer: Old age pension

Question 9

Calculate the Nominal income and private income from the following data.

Contents	₹. (in crores)
Net current transfers from the rest of the world	10
Private final consumption expenditure	600
National debt interest	15
Net exports	-20
Current transfers from the government	5
Net domestic product at factor cost accruing to the government	25
Government final consumption expenditure	100

Net indirect tax	30
Net domestic capital formation	70
Net factor income from abroad	10

Answer:

- National income = [Private final consumption expenditure + Government final consumption expenditure + Net domestic capital formation + Net exports + Net factor income from abroad – Net indirect tax]

$$= 600 + 100 + 70 + (-20) + 10 - 30$$

$$= 780 - 50$$

$$= 730 \text{ crores}$$

- Private income = NNP – Net domestic product at factor cost accruing to government + Transfer payments + National debt interest

$$= 730 - 25 + (10+5) + 15$$

$$= 760 - 25$$

$$= 735 \text{ crores}$$

Question 10

Providing the reason, explain whether the following are included in domestic product of India.

- Profits earned by a branch of the foreign bank in India

Answer: Profits earned by a branch of the foreign bank in India will be included in the domestic income of India because the profits are earned within the domestic territory of India

Question 11

Providing the reason, explain whether the following are included in the domestic product of India.

- Payment of salaries to its staff by an embassy located in New Delhi

Answer: Payment of salaries to its staff by an embassy located in New Delhi will not be involved in the domestic income of India as it is not a part of the domestic territory of India

Question 12

Providing the reason, explain whether the following are included in the domestic product of India.

- Interest received by an Indian resident from its abroad firms

Answer: Interest received by an Indian resident from its abroad firms will not be included in the domestic income of India because it is the factor income from abroad.

Question 13

Microeconomics is different from macroeconomics as,

- Microeconomics deals with economic behaviour
- Microeconomics deals with individual behaviour
- Microeconomics deals with prices only

- Microeconomics deals with the government's decisions

Answer: Microeconomics deals with individual behaviour

Question 14

Which of the following is an example of macroeconomics?

- Price determination
- Consumer's equilibrium
- Producer's equilibrium
- Inflation

Answer: Inflation

Holidays homework Part Two

Answer the following Questions

1. Explain the components of Income Method, Expenditure Method and Production Method.
2. What types of problems faced during barter system?
3. Explain the different definitions of money.
4. What are the main components of Money supply?
5. Calculate national income by all three methods. (minimum 10 questions by each method)

Holidays Homework Part Three

Project work

Guidelines for Project Work in Economics for Class XII. The objectives of the project work are to enable learners to:

- Probe deeper into theoretical concepts learnt in class xii
- Analyse and evaluate real world economic scenarios using theoretical constructs and arguments
- Demonstrate the learning of economic theory
- Follow up aspects of economics in which learners have interest
- Develop the communication skills to argue logically the expectations of the project work are that:
- Learners will complete only one project in each academic session
- Project should be of 3,500-4,000 words (excluding diagrams & graphs), preferably hand-written
- It will be an independent, self-directed piece of study

Scope of the project:

Learners may work upon the following lines as a suggested flow chart:

- Choose a title/topic
- Collection of the research material/data Organization of material/data Present material/data
- Analysing the material/data for conclusion
- Draw the relevant conclusion
- Presentation of the Project Work

Choose any one Topic from the following

Class XII •

1. Micro and Small Scale Industries
2. Goods and Services Tax Act and its Impact on GDP
3. Human Development Index
4. Monetary policy committee and its functions •
5. Role of RBI in Control of Credit •
6. Government Budget & its Components •
7. Digital India- Step towards the future •

8. Rain Water Harvesting – a solution to water crises •
9. Make in India – The way ahead •
10. Organic Farming – Back to the Nature •
11. Any other topic