

Macro Economics

1. What is macro-economics?
2. Give an example of a micro-economic study.
3. From the following data calculate National income by income method and expenditure method:

	Rs.in crores
a. Compensation of employees	1200
b. Net factor income from abroad	-20
c. Net indirect tax	120
d. Profits	800
e. Private final consumption expenditure	2000
f. Net domestic capital formation	770
g. Consumption of fixed capital	130
h. Rent	400
i. Interest	620
j. Mixed income of self employed	700
k. Net exports	-30
l. Government final consumption expenditure	1100

4. Calculate net national disposable income from the following data:

	Rs.in crores
a. Gross national product at factor cost.	800
b. Net current transfers from rest of the world.	50
c. Net indirect tax	70
d. Consumption of fixed capital	60
e. Net factor income from abroad	-10

5. Will the following be included in domestic factor income of India? Give reasons for your answer:
 - a. Profits earned by a foreign bank from its branches in India.
 - b. Scholarships given by government of India.
 - c. Profits earned by a resident of India from his company in Singapore.
 - d. Salaries received by Indians working in American Embassy in India.

6. Calculate Net National Disposable Income from the following data:

	Rs. In crores.
a. GDP at market price	1000
b. Net factor income from abroad	-20
c. Net indirect taxes	120
d. Consumption of fixed capital	100
e. Net current transfers from rest of the world	50

7. From the following data calculate National Income by income and expenditure method:

	Rs. In crores.
a. Compensation of employees	600
b. Government final consumption expenditure	550
c. Net factor income from abroad	-10
d. Net exports	-15
e. Profits	400
f. Net indirect tax	60
g. Mixed income of self employed	350
h. Rent	200
i. Interest	310
j. Private final consumption expenditure	1000
k. Net domestic capital formation	385
l. Consumption of fixed capital	65

8. Calculate Net national Disposable income from the following data:

	Rs. In crores
a. GDP at market price	1500
b. Net factor income from abroad	-20
c. Consumption of fixed	100
d. Net current transfers from rest of the world	-30
e. Net indirect taxes	120

9. From the following data calculate National Income by income and expenditure method.

	Rs. In crores
a. Private final consumption expenditure	900
b. Net domestic capital formation	200
c. Compensation of employees	500
d. Mixed income of self-employed	400
e. Government final consumption expenditure	400
f. Net factor income from abroad	-10
g. Profits	220
h. Rent	90
i. Net exports	-25
j. Interest	100
k. Net indirect tax	165
l. Net current transfers from rest of the world	50

2004 -05

10. From the following data about a firm A, calculate net value added at market price by it:

	Rs. In crores.
a. Sales	700
b. Change in stock	40
c. Depreciation	80
d. Net indirect taxes	100
e. Purchase of machinery	250
f. Purchase of intermediate products	400

11. Explain briefly the distinction between:

- Gross domestic product at factor cost and Net national product at market price.
- National income and Net national disposable income.

12. From the following data, calculate National income and personal disposable income.

	Rs. in crores.
a. Compensation of employees	1200
b. Rent	400
c. Profit	800
d. Consumption of fixed capital	300

e. Mixed income of self-employed	1000
f. Private income	3600
g. Net factor income from abroad	-50
h. Net retained earnings of private enterprises	200
i. Interest	250
j. Net indirect taxes	350
k. Net exports	-60
l. Direct taxes paid by households	150
m. Corporation tax	100

13. From the following data about a firm Y, calculate net value added at market price by

it:	Rs. In crores
a. Sales	300
b. Depreciation	20
c. Net indirect taxes	30
d. Purchase of intermediate products	150
e. Change in stock	-10
f. Purchase of machinery	100

14. From the following data, calculate National income and Personal disposable income:

	Rs. In crores.
a. Compensation of employees	800
b. Rent	300
c. Profit	700
d. Consumption of fixed capital	80
e. Mixed income of self- employed	600
f. Private Income	2500
g. Net factor income from abroad	(-)50
h. Interest	500
i. Net Indirect taxes	150
j. Net exports	(-)40
k. Direct taxes paid by households	70
l. Corporation Taxes	100

15. From the following data about a firm 'A', calculate net value added at market price by it:

	Rs.
(i) Sales	850
(ii) Change in stock	(-)30
(iii) Depreciation	70
(iv) Net indirect taxes	80
(v) Purchase of machinery	300
(vi) Purchase of intermediate products	450

16. From the following data, calculate (a) National Income (b) Personal disposable income:

	Rs in crores
(i) Compensation of employees	1000
(ii) Rent	200
(iii) Profit	500
(iv) Consumption of fixed capital	100
(v) Mixed income of self – employed	800
(vi) Private Income	2000
(vii) Net factor income from abroad	(-)5
(viii) Net retained earnings of private enterprises	150
(ix) Interest	250
(x) Net Indirect taxes	160
(xi) Net exports	(-)40
(xii) Direct taxes paid by households	120
(xiii) Corporation tax	200

17 Give one reason why macro economics and micro economics are interdependence.

18. Define macro economics.

19. Calculate gross value added at Factor cost from the following data:

	Rs. In crores
(i) Change in stock	30
(ii) Exports	15
(iii) Net indirect taxes	30

(iv) Depreciation	20
(v) Intermediate cost	200
(vi) Value of output	300

20. Calculate (a) National Income and (b) Gross national disposable income from the following data:

	Rs.in crore
a. Current transfers from government	80
b. Net exports	20
c. Net factor income from abroad	20
d. Government final consumption expenditure	300
e. Change in stock	10
f. Subsidies	30
g. Private final consumption expenditure	740
h. Consumption of fixed capital	50
i. Net current transfers from the rest of the world	40
j. Indirect taxes	100
k. Net domestic fixed capital formation	120

21. Calculate Net value added at factor cost from the following data:

	Rs. In crores.
I. Intermediate cost	100
II. Exports	15
III. Change in stock	30
IV. Depreciation	25
V. Value of output	200
VI. Net indirect taxes	20

22. Calculate National income and Gross national disposable income from the following data:

	Rs.in crores
I. government final consumption expenditure	400
II. Consumption of fixed capital	70
III. Net factor income from abroad	-30
iv. Indirect taxes	150
v. Subsidies	40
vi. Net domestic fixed capital formation	150
vii. Net current transfers from the rest of the world	50

viii. Private final consumption expenditure	860
ix. Current transfers from govt.	100
x. Change in stock	-20
xi. Net exports	-40

2005 - 06

23. What is macro-economics all about ?

24. Define micro-economics.

25. Calculate Personal Disposable Income from the following data:

	Rs. In crores.
i. Net current transfers from the rest of the world	3
ii. Private income	200
iii. Personal taxes	30
iv. National debt interest	5
v. Corporate profit tax	20
vi. Undistributed profits	10

26. Giving reason, state whether the following are included in national income:

- Transport expenses by a firm.
- Expenditure on construction of a house.
- Gift received from employer.
- Purchase of a machine by a factory.
- Salary received by an Indian resident working in U.S. embassy in New Delhi.
- Interest paid on loan taken to buy a personal car.

27. Calculate National income and Net national disposable income from the following data:

	Rs. In crores.
i. Net current transfers from the rest of the world	5
ii. Private final consumption expenditure	300
iii. Net factor income paid to abroad	10
iv. Government final consumption expenditure	100
v. Subsidies	20
vi. Net domestic fixed capital formation	80
vii. Indirect tax	70
viii. Net exports	-40

ix.	Change in stocks	20
x.	Current transfers from government	15

2006 – 07

28. Define macro-economics.

29. Give two examples of macro – economic variables.

30. From the following data calculate gross value added at factor cost:

	Rs. in crores.	
i.	Net indirect tax	20
ii.	Purchase of intermediate products	120
iii.	Purchase of machines	300
iv.	Sales	250
v.	Consumption of fixed capital	20
vi.	Change in stock	30

31. Calculate Private income and Personal disposable income from the following data

	Rs. In crores.	
i.	Income from property and entrepreneurship Accruing to government administrative dept.	500
ii.	Saving of non- departmental public enterprises	100
iii.	Corporation tax	80
iv.	Income from domestic product accruing to Private sector .	4500
v.	Current transfers from government adm.dept.	200
vi.	Net factor income from abroad	-50
vii.	Direct personal taxes	150
viii.	Indirect tax	220
ix.	Current transfers from rest of the world	80
x.	Savings of private corporate sector	500

32. From the following data calculate net national product at factor cost by income method and expenditure method:

	Rs. In crores.	
1.	Current transfers from the rest of the world	100
2.	Government final consumption expenditure	1000
3.	Wages and salaries	3800

4. Dividend	500
5. Rent	200
6. Interest	150
7. Net domestic capital formation	500
8. Profits	800
9. Employer's contribution to social security schemes	200
10. Net exports	-50
11. Net factor income from abroad	-30
12. Consumption of fixed capital	40
13. Private final consumption expenditure	4000
14. Net indirect tax	300

33. Will the following factor incomes be a part of domestic factor income of India?

Give reasons for your answer.

1. Profit earned by foreign banks from their branches in India.
2. Salary received by Indian residents, working in American embassy in India.
3. Profits earned by an Indian company from its branch in Singapore.
4. Compensation of employees given to residents of China working in Indian embassy in China.

2006 - 07

34. Is the study of the problems of agricultural labour in India a macro economics study?

35. Define macro economics.

36. Calculate net national disposable income from the following data:

	Rs.
1. Net current transfers from the rest of the world	20
2. Net domestic product at factor cost	800
3. Net indirect taxes	70
4. Net domestic capital formation	60
5. Net factor income from abroad	-10

37. State the steps taken in the value added method of measuring national income.

38. Calculate Private income and Personal Disposable income from the following data:

	Rs.
1. Savings of the private corporate sector	500
2. Savings of Non – departmental public enterprises	200
3. Capital transfers from the rest of the world	50
4. Current transfers from the govt. adm. Dept.	100
5. Corporation tax	150
6. Income from domestic product accruing to the Private sector	3500
7. Net indirect taxes	300
8. Net factor income from abroad	-30
9. Current transfers from the rest of the world	40
10. Direct personal taxes	110

2007 -08

39. Calculate Net value added at factor cost from the following data:

	Rs.
1. Depreciation	20
2. Intermediate cost	90
3. Subsidy	5
4. Sales	140
5. Exports	7
6. Change in stock	-10
7. Imports of raw-materials	3

40. Calculate National income and private income from the following data:

	Rs.
1. Net current transfers to the rest of the world	10
2. Private final consumption expenditure	600
3. National debt interest	15
4. Net exports	-20
5. Current transfers from govt.	5
6. Net domestic product at factor cost accruing to govt.	25
7. Govt. final consumption expenditure	100

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

41. Giving reasons, explain how the following are treated in estimating national income:

1. Wheat grown by a farmer but used entirely for family's consumption.
2. Earnings of the shareholders from the sales of shares.
3. Expenditure by government on providing free education.

2008 – 09

42. Give the meaning of factor income to abroad and factor income from abroad. Also give an example of each.

OR

Distinguish between domestic product and national product. When can domestic product be more than national product?

43. While estimating national income, how will you treat the following? Give reasons for your answer :

1. Imputed rent of self occupied houses.
2. Interest received on debentures.
3. Financial help received by flood victims.
4. Capital gain on sale of a house.
5. Prize won in a lottery.
6. Interest on public debt.

44. From the following data, calculate national income by income method and expenditure method:

	Rs.
1. Interest	150
2. Rent	250
3. Govt. final consumption expenditure	600
4. Private final consumption expenditure	1200
5. Profits	640
6. Compensation of employees	1000
7. Net factor income to abroad	30
8. Net indirect taxes	60

9. Net exports	-40
10. Cons. Of fixed capital	50
11. Net domestic capital formation	340

Compt. 2008-09

45. Calculate personal income:

1. PDI	300
2. Miscellaneous receipts of govt. adm. dept.	50
3. Corporate profit tax	10
4. Retained earnings of private corporations	20
5. Personal tax	30

46. Find NI and NNDI

1. Exports	25
2. Govt. final cons. Expenditure	300
3. NCTROW	-10
4. NDFCF	200
5. NFIA	20
6. Private final cons. Expenditure	1000
7. NIT	30
8. Opening Stock	60
9. Net imports	30
10. Closing stock	50

47. Give reasons, explain whether the following are included in domestic product of India:

1. Profits earned by a branch of foreign bank in india.
2. Payment of salaries to its staff by an embassy located in New Delhi.
3. Interest received by an Indian resident from firms abroad.

2009 -10

48. Distinguish between real and nominal gross domestic product.

OR

Giving reasons, classify the following into intermediate and final goods:

1. Machines purchased by a dealer of machines.
2. A car purchased by a household.

49. How will you treat the following while estimating national income of India?
Give reasons for your answer.

1. Dividend received by a foreigner from investment in shares of an Indian company.
2. Profits earned by a branch of an Indian bank in Canada.
3. Scholarship given to Indian students studying in India by a foreign company.

OR

Explain the problem of double counting in estimating national income, with the help of an example. Also explain two alternative ways of avoiding the problem.

50. Calculate (a) Gross domestic product at market price, and (b) Factor income from abroad from the following data:

	Rs.
1. Profits	500
2. Exports	40
3. Compensation of employees	1500
4. Gross National Product at factor cost	2800
5. Net current transfers from rest of the world	90
6. Rent	300
7. Interest	400
8. Factor income to abroad	120
9. Net indirect taxes	250
10. Net domestic capital formation	650
11. Gross fixed capital formation	700
12. Change in stock	50

51. From the following data calculate same as above:

1. Compensation of employees	1000
2. Net exports	-50
3. Profits	400
4. Interest	250
5. Rent	150
6. Gross domestic capital formation	220
7. Gross national product at factor cost	1850

8. Net fixed capital formation	150
9. Change in stock	20
10. Factor income from abroad	30
11. Net indirect taxes	100

52. From the following data calculate (a) Gross domestic product at market price, and (b) Factor income from abroad:

1. Gross national product at factor cost	6150
2. Net exports	-50
3. Compensation of employees	3000
4. Rent	800
5. Interest	900
6. Profit	1300
7. Net indirect taxes	300
8. Net domestic capital formation	800
9. Gross fixed capital formation	850
10. Change in stock	50
11. Dividend	300
12. Factor income to abroad	80

COMP 2009 -10

Q. Define capital goods.

Q. Calculate Net National disposable Income and Personal Disposable Income:

1. Net current transfers to abroad	20
2. Domestic product accruing to govt.	90
3. Corporate tax	20
4. Personal tax	40
5. Current transfers by govt.	30
6. Net indirect tax	120
7. Net factor income from abroad	-10
8. National debt interest	50
9. Retained earning of private corporations	10
10. National Income	900

Q. Distinguish between 'intermediate and final goods'. Give two examples of each.

OR

Giving reason, explain how are the following treated in estimation of national income by the income method:

1. Interest paid by banks to depositors.
2. National debt interest.

Q. Calculate National Income by the expenditure method and the Income method:

1. Net indirect tax	120
2. Net factor income paid to abroad	10
3. Wages and salaries	320
4. Rent	35
5. Net domestic fixed capital formation	40
6. Royalty on land	15
7. Private final consumption exp.	500
8. Interest	60
9. Change in stocks	-10
10. SSE by employers	30
11. Govt. final consumption exp.	100
12. Profit	50
13. Net exports	0

Q. Calculate GNDI and Personal Income

1. NFIA	-50
2. NIT	110
3. CTG	40
4. Corporate tax	60
5. NDP at f.c.	800
6. NDI	80
7. Net CT to abroad	10
8. CFC	50
9. Domestic product acc. to govt.	70
10. Retained earnings of private Corporation.	10

Q. Calculate NDP at factor cost by expenditure and production method.

1. V.O. in eco. Territory	4100
2. Net imports	-50
3. IC by Primary sector	600
4. Pvt. final cons. Exp.	1450
5. IC by sec. sector	700
6. Govt. final cons.exp.	400
7. Net domestic fixed capital Formation	200
8. IC by the tertiary sector	700
9. Net change in stocks	-50
10. Indirect tax	100
11. CFC	50

Q. Calculate NNDI and Personal Disposable Income

1. NFI to abroad	50
2. CTG	30
3. Corporation tax	60
4. Net CTROW	-20
5. Undistributed profit	10
6. NDP at f.c.	1020
7. National disposable income	40
8. Personal tax	70
9. DP acc. to govt.	200
10. Indirect tax	100

Q. Calculate GNP at m.p. by Production method and income method:

1. V.O. of Primary sector	1000
2. Indirect tax	200
3. Compensation of employees	780
4. NFI to abroad	100
5. IC by all sector	2900
6. Rent	300
7. V.O. of Secondary sector	2000
8. Subsidy	50

9. Interest	600
10. CFC	120
11.V.O. of tertiary sector	3000
12.Profits	320
13.MISE	830

2010 -11

Q. What are stock variables?

Q. Define Depreciation.

Q. Explain how non – monetary exchanges are a limitation in taking gross domestic product as an index of welfare.

Q. Giving reasons, explain the treatment assigned to the following while estimating national income:

1. Family members working free on the farm owned by the family.
2. Payment of interest on borrowings by general government.

Q. Calculate (a) Net Domestic product at factor cost and (b) Private income from the following:

1. Domestic product accruing to government	300
2. Wages and salaries	1000
3. Net current transfers to abroad	-20
4. Rent	100
5. Interest paid by the production units	130
6. National debt interest	30
7. Corporation tax	50
8. Current transfers by government	40
9. Contribution to social security by employers	200
10.Dividends	100
11.Undistributed profits	20
12.Net factor income to abroad	0

Q. Giving reasons, explain the treatment assigned to the following while estimating national income:

1. Social security contribution by employees.
2. Pension paid after retirement.

Q. Calculate (a) 'Net National Product at Market Price' and (b) 'Private Income' from the following:

	(Rs.)
1. Net current transfers to abroad	30
2. Mixed income	600
3. Subsidies	20
4. Operation surplus	200
5. National debt interest	70
6. Net factor income to abroad	10
7. Compensation of employees	1400
8. Indirect tax	100
9. Domestic product accruing to government	350
10. Current transfers by government	50

Q. Giving reasons, explain the treatment assigned to the following while estimating national income

1. Expenditure on maintenance of a building.
2. Expenditure on adding a floor to the building.

Q. Calculate (a) 'Gross National Product at Market Price' and (b) 'Personal Disposable Income' from the following:

	(Rs.)
1. Net factor income to abroad	10
2. Private income	1700
3. Operating surplus	300
4. Corporation tax	150
5. Undisturbed profits	30
6. Mixed income	500
7. Consumption of fixed capital	100
8. Personal taxes	200
9. Compensation of employees	1200
10. Net indirect tax	250

2011-12

1. (a) Giving reason, explain how the following should be treated while estimating national income:
- (i) Expenditure on free services provided by government.
 - (ii) Payment of interest by a government firm.
- (b) How should the following be treated while estimating National Income? Give reasons.
- (i) Expenditure on education of children by a family.
 - (ii) Payment of electricity bill by a school.
- © Should the following be treated as final expenditure or intermediate expenditure? Give reasons for your answer.
- (i) Purchase of furniture by a firm.
 - (ii) Expenditure on maintenance by a firm.
2. Define consumption goods.
3. (a) Find Gross Value Added at Factor Cost:
- | | |
|-------------------------------|--------|
| (i) Units of output sold | 2000 |
| (ii) Price per unit of output | 20 |
| (iii) Depreciation | 2000 |
| (iv) Change in stock | (-)500 |
| (v) Intermediate costs | 15000 |
| (vi) Subsidy | 3000 |
- (b) Find Net Value Added at Market Price:
- | | |
|--------------------------------|--------|
| (i) Depreciation | 700 |
| (ii) Output sold (units) | 900 |
| (iii) Price per unit of output | 40 |
| (iv) Closing stock | 1000 |
| (v) Opening stock | 800 |
| (vi) Sales tax | 3000 |
| (vii) Intermediate cost | 20,000 |
- (c) Find out Net value added at factor cost:
- | | |
|------------------------------|-------------|
| (i) Price per unit of output | Rs.25 |
| (ii) Output sold (units) | 1000 |
| (iii) Excise duty | Rs.5000 |
| (iv) Depreciation | Rs.1000 |
| (v) Change in stocks | Rs. (-) 500 |
| (vi) Intermediate costs | Rs.7000 |

4. (a) Find out (i) National Income and (ii) Net National Disposable Income:

(Rs.in crores)

(i)	Net imports	(-) 10
(ii)	Net domestic fixed capital formation	100
(iii)	Private final consumption expenditure	600
(iv)	Consumption of fixed capital	60
(v)	Change in stocks	(-)50
(vi)	Government final consumption expenditure	200
(vii)	Net factor income to abroad	20
(viii)	Net current transfers to abroad	30
(ix)	Net indirect tax	70
(x)	Factor income from abroad	10

