

**DAV Public School; DVC;MTPS**  
**Summer Holiday Home Assignment -1**  
**(2019-20)**

Class- XII

Subject- Economics

All the questions are compulsory.

Answer all the questions in your homework copy.

Questions from 1 to 4 are carrying 1 mark for each.

Questions from 5 to 8 are carrying 3 marks for each.

Questions from 9 to 11 are carrying 4 marks for each.

Questions from 12 to 13 are carrying 6 marks for each.

1. Which one of the following is final expenditure :

- (a) Purchased computer by school. (b) Purchased scooter by scooter dealer.  
(c) Purchased vegetable by restaurant. (d) Purchased milk by tea shop.

2. Which one of the following is flow variable.

- (a) Capital formation (b) Change in inventory  
(c) GDPMP (d) All of the above.

3. When goods and services are produced in a year valued at current years prices is called

- (a) Real GDP (b) GDP at constant prices  
(c) National Product (d) GDP at current prices.

4. Which is correct?

- (a)  $GNP_{mp} > GDP_{mp}$  when  $NFIA < 0$ . (b)  $GNP_{mp} > GDP_{mp}$  when  $NFIA = 0$ .  
(c)  $GNP_{mp} > GDP_{mp}$  when  $NFIA > 0$ . (d)  $GNP_{mp} > GDP_{mp}$  when  $NFIA > 0$ .

5. Explain how distribution of G.D.P. is its limitation as a measure of economic welfare.

6. Distinguish between 'factor income' and 'transfer income'.

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

- (i) Machines purchased by a dealer of machines. (ii) A car purchased by a house hold.

8. What is meant by a normal resident? State which of the followings are treated as normal resident of India.

- (i) An American working in the office of WHO located in India. (ii) Indian working in U.S.A. embassy located in India.

9. Explain why subsidies are added to and indirect taxes deducted from domestic product at market price to arrive at domestic product at factor cost.

10. Distinguish between domestic product and national product. When can domestic product be more than National Product.

11. Define NFIA., write its components.

12. 1. How will you treat the following while estimating national income of India.

- (a) Dividend received by an Indian from his investment in shares of a foreign company.  
(b) Money received by a family in India from relatives working abroad.  
(c) Interest received on loan given to a friend for purchasing a car.

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

(i) Government final consumption expenditure	100
(ii) Subsidies	10
(iii) Rent	200
(iv) Wages and salaries	600
(v) Indirect Taxes	60
(vi) Private final consumption expenditure	800
(vii) Gross domestic capital formation	120
(viii) Social security contribution by employers	55
(ix) Social security contribution by employees	200
(x) Royalty	25
(xi) Net factor income paid to abroad	30

(xii) Interest	20
(xiii) Net domestic capital formation	110
(xiv) Profit	130
(xv) Net Exports	70
(xvi) Change in stock	50

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**Summer Holiday Home Assignment -2**  
**(2019-20)**

Class- XII

Subject- Economics

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1. Money supply consists of  
(a) Currency (b) Deposits  
(c) Both currency & Deposits (d) None of the above.
2. Money supply consists of  
(a) Currency (b) Deposits  
(c) Both currency & Deposits (d) None of the above.
3. What is money?
4. What are demand deposits?
5. Explain the standard of deferred function of money.
6. Explain store of value function of money.
7. Explain the medium of exchange function of money.
8. Explain the function of money as 'Unit of value'.
9. How does money overcome the problems of barter system? Explain briefly.
10. Calculate  $GNP_{FC}$  in income method and expenditure method from the following data.
- |   |       |
|---|-------|
| (a) Private final consumption expenditure | 800   |
| (b) Government final consumption exp.     | 300   |
| (c) COE                                   | 600   |
| (d) Net imports                           | 50    |
| (e) Gross domestic capital formation      | 150   |
| (f) Depreciation                          | 20    |
| (g) NIT                                   | 100   |
| (h) NFIA                                  | (-70) |
| (i) Dividend                              | 150   |
| (j) Rent                                  | 120   |
| (k) Interest                              | 80    |
| (l) Undistributed profit                  | 80    |
| (m) SSB by employers                      | 60    |
| (n) Corporate tax                         | 50    |
11. Sale of petrol and diesel cars is rising particularly in big cities. Analyse its impact on GDP and Welfare.
12. Explain the credit creation function of commercial banks.
13. Calculate  $NDP_{MP}$  from the following data.
- |   |      |
|---|------|
| (a) PFCE                                      | 400  |
| (b) Opening stock                             | 10   |
| (c) Depreciation                              | 25   |
| (d) Imports                                   | 15   |
| (e) GFCE                                      | 90   |
| (f) Net current transfer to rest of the world | 5    |
| (g) Gross domestic fixed capital formation    | 80   |
| (h) closing stock                             | 20   |
| (i) Exports                                   | 10   |
| (j) Net factor income to abroad               | (-5) |

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**Summer Holiday Home Assignment -3**  
**(2019-20)**

Class- XII

Subject- Economics

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1. Which are is qualitative instrument of RBI?

(a) Cash Reserve Ratio

(c) Moral suasion

(b) Repo rate

(d) Open market operation

2. Which is the legal tender money?

(a) Cheque

(c) Rupees

(b) Credit Card

(d) Demand Draft

3. There is inflationary situation in India, what step RBI should take?

(a) Issuing more currency

(c) Decrease in CRR

(b) Increase in Bank rate

(d) Decrease in SLR

4. The merit of issuing notes with RBI can be seen in

(a) Uniformity in note issue

(c) Control of credit

(b) Stability in currency

(d) All of the above.

5. Explain the 'lender of last resort' function of central bank.

6. State the role of Central Bank as a banker of the Government.

7. Distinguish between SLR and CRR.

8. Explain 'custodian of foreign currency' function of central bank.

9. How does changes in Bank rate affect money creation by commercial Bank? Explain.

10. Explain how does followings helps to control the credit creation.

(i) Open market operation

(ii) Repo rate and reverse repo rate

11. How should the following be treated while estimating NI and give reason in support of your answer.

(a) Bonus paid to employees

(b) Addition to stock during a year

(c) Purchase of taxi car by a taxi driver.

12. Explain the process of credit creation or money creation by commercial banks with the help of numerical example.

13. Explain how change in LRR affect the credit creation capacity of the banks with proper numerical examples.

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**Summer Holiday Home Assignment Project**  
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Project

(Do the project in channel file)

Role of RBI in Control of Credit (word limit 3500 – 4000 excluding diagrams and graphs)

OR

Make in India- The way ahead (word limit 3500 – 4000 excluding diagrams and graphs)

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