National Institute of Open Schooling
Senior Secondary - Economics(318)
Lesson 24: National Income and Related Aggregates
Work Sheet - 24

1. Mr Ashish has donated medical equipment in a Charity Hospital in the pink city Jaipur. Will search donation be included in the estimation of national income? If yes, give reason.

2. Mr Ashish has constructed a Hospital for taking care of covid-19 patients. Will it be included in the estimation of national income? Give reason for your explanation.

3. On the basis of question 1 and 2, identify three basic activities: consumption production and distribution. How do these three activities provide the sound bases for the estimation of national income.

4. How is the following treated in the estimation of national income in the category of Domestic Territory and Normal Residents?

   a) Flight of Air India operated between India and Canada.

   b) Nepali living in India for more than one year and involved in economic activities.

   c) Fishing vessels, oil & natural gas operated by Indians with exclusive rights in the international water.

   d) Office of W H O in India.

5. The Indian economy is Open Economy which is classified into four sectors. All sectors are engaged in transactions of income and payments from each other. In the light of the statement, explain circular flow of income and production.

6. You have been given NDP at FC with three basic concept :-

   a) Consumption of Fixed Capital/Depreciation

   b) Net Factor Income From Abroad(NFIA)

   c) Net Indirect Tax(NIT).

   Calculate formula for the following:

   a) GNP at MP
   b) GNP at FC
   c) GDP at MP
   d) GDP at FC
   e) NDP at MP

7. A baker is making biscuits. During the production of biscuits, he has to pass through various stages to obtain the final product. Explain the process and discuss how the difference between new intermediate goods and final goods provide a sound basis for the estimation of national income.

8. National income of an economy is estimated from the side of factor income generated in an accounting year. Give a brief description of factor income generated by various factors of production for the estimation of national income.

9. Real GDP is an actual indicator of increase in national income as compared to nominal GDP. Give suitable illustrations to support the statement.

10. National income of an economy is measured from the expenditure sides also. Identify and list out various types of expenditures to estimate national income.