XII MACRO ECONOMICS

MOST EXPECTED NUMERICAL

CHAPTERWISE

NATIONAL INCOME

Q.1) Find Gross value added at factor cost:

Particulars	Amount
Units of output sold	2,000
Price per unit of output	20
Depreciation	2,000
Change in stock	-500
Intermediate cost	15,000
Subsidy	3,000

Q.2)Calculate Net value added at factor cost from the following data:

Particulars	Amount
Durable producer goods (with a life span of 10 years)	10
Single use producer goods	5
Sales	20
Unsold good (stock)	2
Goods and service tax (GST)	1

Q.3) Calculate 'Sales' from the following data

(i) Subsidies 200
(ii) Opening stock 100
(iii) Closing stock 600
(iv) Intermediate cost 3,000
(v) Consumption of fixed capital 700
(vi) Profit 750
(vii) Net value added at factor cost 2,000

Q.4) Calculate NNP_{mp}

(i) Undistributed profits 20

(ii) Compensation of employees 800

(iii) Rent 300

(iv) Dividend 100

(v) Royalty 40

(vi) Corporation Tax 50

(vii) Interest 400

(viii) Depreciation 70

(ix) Net factcor income from abroad (–) 10

(x) Net indirect tax 60

Q.5) Calculate National income

Particulars	Amount
Compensation of employees	13,300
Wages in kind	200
Indirect taxes	3,800
Gross domestic fixed capital formation	6,200
Operating surplus	5,000
Mixed income of self-employed	16,100
Net factor income from abroad	300
Net exports	-100

Q.6) Calculate the Operating Surplus

Particulars	Amount
Sales	4,000
Compensation of employees	800
Intermediate consumption	600
Rent	400
Interest	300
Net indirect taxes	500
Consumption of fixed capital	200
Mixed income	400

Q.7) Calculate National Income

(i) Net domestic fixed capital formation 200

(ii) Factor income from abroad 30

(iii) Change in stock (–) 20

(iv) Net indirect tax 120

(v) Private final consumption expenditure 800

(vi) Consumption of fixed capital 100

(vii) Government final consumption expenditure 300

(viii) Net factor income to abroad 40

(ix) Net imports (–) 50

Q.8) Calculate Gross fixed Capital Formation from the following data

Particulars	Amount
Private final consumption expenditure	1,000
Government final consumption expenditure	500
Net exports	-50
Net factor income from abroad	20
Gross domestic product at market price	2,500
Opening stock	300
Closing stock	200

Q.9)Firm A buys from X inputs worth ₹ 500 crores and sells to firm B goods worth ₹ 1,000 crores and to firm C goods worth ₹ 700 crores. Firm B buys from Y inputs worth ₹ 200 crores and sells to firm C goods worth ₹ 1,500 crores and finished goods worth ₹ 2,000 crores to households. Firm C buys from Z inputs worth ₹ 150 crores and sells finished goods worth ₹ 4,150 crores to households. Calculate value added by firms A, B and C and GDPMP.

Q.10) Calculate Real GDP if Nominal GDP is 300 and Price Index is 240

BANKING | GOVERNMENT BUDGET | BALANCE OF PAYMENT |

Q.1) If the total deposits created by commercial banks is ₹50,000 crores and amount of initial deposits ₹12,500.

Legal Reserve ratio will be _____ ?

Q.2) If the total deposits created by commercial banks is ₹20,000 crores and legal reserve requirements is 40% then amount of initial deposits will be _____.

a) ₹4,000 crores

b) ₹6,000 crores

c) ₹8,000 crores

d) ₹28,000 crores

Q.3. Find out (a) Fiscal deficit and (b) Primary deficit.

Particular	₹ In crore
Revenue receipts	60,000
Borrowing	65,000
Revenue expenditure	1,00,000
Interest payment is 20% of revenue deficit	

Q.4) Calculate (i) Revenue deficit (ii) Fiscal deficit (iii) Primary deficit.

Particular	₹ In crore
Capital Receipt net of borrowings (excluding borrowings	95
Revenue expenditure	100
Interest payment	10
Revenue Receipts	80
Capital expenditure	110

Q.5) Calculate (i) Revenue deficit (ii) Fiscal deficit (iii) Primary deficit

Particular	₹ In crore
Tax Revenue	47
Capital Receipt	34
Non-tax revenue	10
Borrowings	32
Revenue expenditure	80
Interest payments	20

Q.6. If the budgetary deficit of the government is ₹50,000 crores and the borrowings and other liabilities and ₹8000 crores, how much will be the fiscal deficit?

Q.7. Find borrowings by the Government if payment of interest is estimated to be of ₹15,000 crore which is 25% of primary deficit.

Q.8)The following information is given for an imaginary country

Current Account	Amount (in ₹'000 Crore)
Visible Exports	100
Visible Imports	150
Invisible Exports	70
Invisible Imports	30
Net current transfer balance	15

Balance on current account will be _____ of ₹ _____ thousand Crore.

a) deficit, 10

b) surplus,5

c) deficit, 5

d) surplus, 10

Q.9) If the trade deficit is Rs. 1000 crores and the import of goods is Rs. 2000 crores, then the export of goods will be Rs. _____.

1. 2000 crores
2. 1000 crores
3. 1500 crores
4. 500 crores

Q.10) Suppose that the Balance of Trade (BOT) of a nation, exhibits a surplus of ₹ 20,000 crores.

The import of merchandise of the nation is half of the exports of merchandise to the rest of the world.

The value of exports would be ₹_____ crores. (Fill up the blank with correct alternative)

a) 30,000

b) 40,000

c) 24,000

d) 35,000

DETERMINATION OF INCOME AND EMPLOYMENT [AD & AS]

Q.1) Find "Investment" from the following:
National income = ₹800
Autonomous consumption = ₹50
MPC = 0.8

Q.2) Find national income form the following
autonomous consumption = ₹100
MPC = 0.80
investment = ₹50

Q.3) Given consumption function C= 100 + 0.75 Y (where C= consumption expenditure and Y= National income) and investment expenditure ₹1,000, calculate: (i) equilibrium level of national income, (ii) Consumption expenditure at equilibrium level of national income.

Q.4) In an economy, S = –100 + 0.6Y is the saving function. Where S is saving and Y is national income. if investment expenditure is `1100.
Calculate: (i) equilibrium level of national income.
(ii) Consumption expenditure at that level of income.

Q.5) In an economy 75% of increased in income is spend an consumption. Investment is increased by `1000 crore. Calculate ΔY (increase in income) and ΔC (total increase in C).

Q.6) On the basis of consumption function C = ₹120 + 0.40Y Calculate:

(i) Saving function

(ii) Determine saving at ₹500 level of income.

(iii) At what level of income saving becomes zero?

Q.7) In an economy the equilibrium level of income is ₹12000 crore. The ratio of marginal propensity to consume and marginal propensity to save is 3:1. Calculate additional investment needed to reach a new equilibrium level of income of ₹20,000 crore.

Q.8) In an economy, investment is increased by ₹300 crore. If marginal propensity to consume is 2/3, calculate increase in National Income.

Q.9) In an economy the increase in income is five times the increase in investment expenditure. Calculate the values of MPC.

Q.10) In an economy, an increase in investment leads to increase in national income which is three times more than the increase investment. Calculate marginal propensity to consume.

Q.11) Complete the following table

Income	MPC	Saving	APS
0	-	-90	
100	0.6		
200	0.6		
300	0.6		

Q.12) Complete the following table:

Income	**Saving**	**MPC**	APS
0	-20		
50	-10		
100	0		