

O.P.JINDAL SCHOOL, SAVITRI NAGAR

Periodic Test – 1 (Round –II) 2025-26

Class : XII Commerce

M.M : 20

Subject : Economics (030)

Time : 1 Hour

General Instructions: 1. All the questions are compulsory.

2. Question No. 1 to 4 carries 1 mark each.

3. Question No. 5 to 6 carries 3 marks each.

4. Question No. 7 carries 4 marks each.

5. Question No. 8 carries 6 marks each

1. Which of following is not a transfer payment?

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A. Interest on national debt

B. Retirement pension

C. Old age pension

D. Donations

2. Assertion (A): - Real GDP is better index of economic growth than the nominal GDP.

Reason(R): - The Index of Real GDP always reflects a change in the level of output.

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Alternatives:

a) The Assertion (A) is true, but the Reason (R) is false.

b) The Assertion (A) is false, but the Reason (R) is true.

c) Both the Assertion (A) and Reason (R) are true, but the Reason (R) is not the correct explanation of the assertion.

d) Both the Assertion (A) and Reason (R) are true, and the Reason (R) is the correct explanation of the assertion.

3. Statement 1: Gross Domestic capital formation is always greater than Gross Domestic Fixed Capital Formation

Statement 2: Domestic Income will be greater than National Income, when Net Factor Income Paid to Abroad is negative.

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In light of the given statements, choose the correct option from the following:

A. Statement 1 is true and Statement 2 is false.

B. Statement 1 is false and Statement 2 is true.

C. Both Statements 1 and 2 are true.

D. Both Statements 1 and 2 are false.

Or

Read the following statements carefully:

Statement 1: Final Goods do not undergo any further transformation at the hands of any producer. Statement 2: Final goods may get transformed during their consumption by the ultimate purchaser.

In light of the given statements, choose the correct option from the following:

- A. Statement 1 is true and Statement 2 is false.
- B. Statement 1 is false and Statement 2 is true.
- C. Both Statements 1 and 2 are true.
- D. Both Statements 1 and 2 are false.

4. Capital formation is classified as _____. 1
- A. Stock
 - B. Flow
 - C. Both A and B
 - D. None of the above

5. "National income includes income earned by factors of production, within the domestic territory only". Defend or refute the given statement with valid arguments. 3

6. Calculate Subsidies: 3

Particulars	in crores
(i) GDP at FC	55,000
(ii) Indirect Taxes	4,400
(iii) Net Factor Income from abroad	700
(iv) NNP at MP	55,500
(v) Depreciation	2,500

7. "Gross Domestic Product Deflator is represented by the ratio of Real GDP and Nominal GDP."

Do you agree with the given statement? Justify your answer with valid arguments and hypothetical numerical example. 4

- 8.(A) Ms. Sarika is a retired government employee. Every month, she earns rental income from a property she owns. She has also invested in fixed deposit, which provide her with interest income. Occasionally, she receives cash transfers from her family members abroad. Classify, Ms. Sarika's income as factor income or transfer income, giving valid reasons in support of your answer. 4

- (B) Explain positive and negative externalities? 2

OR

- (A) "Under the Expenditure Method, the value of Gross Domestic Product (GDP) can be estimated by adding the final expenditure incurred by all the sectors of an economy." In the light of the given statement, explain the expenditure incurred by any two. 4

- (B) Why GDP is not considering as the best way to indicate the welfare of country? 2