

Short Answer Type Questions (3/4 Marks)

1. What is meant by the problem of double counting? Discuss briefly the two approaches to avoid this problem. [CBSE OD 19]
2. State any two precautions that must be taken into consideration while estimating national income by value added method. [CBSE SP 2018-19]
3. What is meant by compensation of employees? Discuss the components of C.O.E. [CBSE OD 2015C]
4. Discuss any four precautions required while estimating national income by expenditure method. [CBSE OD 2015C]
5. Define operating surplus. State its components. [CBSE OD 2015C]
6. Describe any four precautions required while estimating National Income by income method. [CBSE OD 2015C]
7. Explain how "distribution of GDP" is a limitation in taking GDP as an index of welfare. [CBSE D 11]
8. Giving reason identify whether the following are final expenditure or intermediate expenditure :
 - (i) Expenditure on maintenance of an office building.
 - (ii) Expenditure on improvement of a machine in a factory. [CBSE D 11]
9. Explain how non-monetary exchanges are a limitation in taking GDP as an index of welfare. [CBSE OD 2011]
10. Giving reasons, explain the treatment assigned to the following while estimating national income.
 - (i) Social security contribution by employees
 - (ii) Pension paid after retirement
 - (iii) Family members working free on the farm owned by family
 - (iv) Payment of interest on borrowings by general government
 - (v) Expenditure on maintenance of a building
 - (vi) Expenditure on adding a floor to the building [CBSE OD 2011]
11. Distinguish between positive externality and negative externality. [CBSE SP Term II, 2022]
12. Distinguish between real GDP and nominal GDP. Which of these is a better index of welfare of the people and why? [CBSE OD 13, 20C]
13. Define externalities. Give an example of negative externality. What is its impact on welfare? [CBSE D 14]
14. Define externalities. Give an example of positive externality. What is its impact on welfare? [CBSE D 14]
15. What are non-monetary exchanges? Give an example. Explain their impact on use of GDP as an index of welfare of the people. [CBSE F 14 ; CBSE SP Term II 22]
16. If the Real GDP is ₹400 and Nominal GDP is ₹450, calculate the Price Index (base = 100) [CBSE OD 15]
[Ans. 112.5]
17. If the Real GDP is ₹500 and Price Index (base = 100) is 125, calculate the nominal GDP. [CBSE OD 15]
[Ans. 625]
18. Assuming real income to be ₹200 crore and price index to be 135, calculate nominal income. [CBSE OD 16]
[Ans. ₹270 Cr.]
19. Describe the expenditure method of calculating gross domestic product at market price. [CBSE OD 15C]
20. Sale of petrol and diesel cars is rising particularly in big cities. Analyse its impact on gross domestic product and welfare. [CBSE OD 16]
21. Government incurs expenditure to popularise Yoga among the masses. Analyse its impact of GDP and welfare of the people. [CBSE D 16]
22. Government spends on child immunization programmes. Analyse its impact of GDP and welfare of the people. [CBSE F 16]
23. What is meant by problem of double counting? How this problem can be avoided? [CBSE SP 2018-19]