



B.K. BIRLA CENTRE FOR EDUCATION

SARALA BIRLA GROUP OF SCHOOLS
A CBSE DAY-CUM-BOYS' RESIDENTIAL SCHOOL



MID-APRIL TEST 2025-26

ECONOMICS

Class: XII

Date: 16.04.25

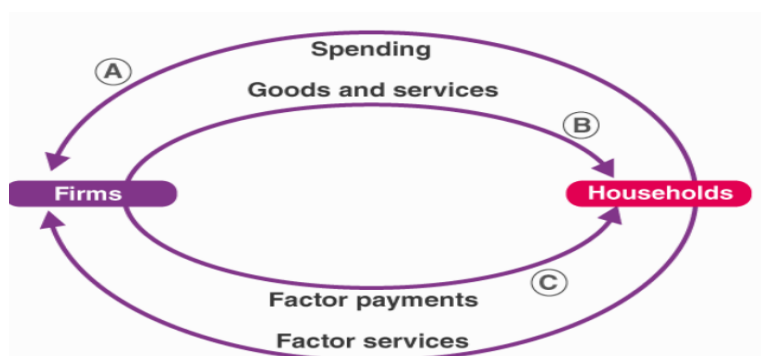
Time: 1hr

Max. Marks: 25

ANSWER KEY

1. b 1)
2. c) residents 1)
3. (B) Statement 1 is false and Statement 2 is true. 1)
4. c) $GNP_{MP} = GDP_{MP} + \text{Net Factor income from Abroad}$ 1)
5. a) A-iii, B-ii, C-iv, D-I 1)
6. Real flow refers to the flow of goods and services across different sectors of the economy. 2)
For example factor services of land, labour, capital and organisation flowing from households to firms and goods and services flowing from firms to household sector.
7. Factor income is income earned by providing a service or good, while transfer income is income 2)
received without providing a service or good.
Wages, rent, interest, and profits.

Transfer income is Income received from the government or other individuals
Social security, unemployment benefits, and welfare.
8. Normal residents are individuals or institutions who ordinarily reside in a country and whose 3)
centre of economic interest also lies within that country, typically staying for a year or more.
 - **Nationals:** People who hold citizenship of a country and live there.
 - **Foreigners:** Individuals who are not citizens of a country but live there for a year or more and have their economic interests in that country.
 - **Production Units:** Businesses and organizations operating within a country.
 - **Students and Patients:** Individuals who stay in a country for education or medical treatment for a year or more.
9. In the two-sector circular model, households provide factors of production to firms, receiving 3)
income in return, which they then spend on goods and services produced by firms, completing the cycle.



10. How will you treat the following while estimating Gross Domestic Product (GDP) or Domestic factor Income of India? 4)
- (i) Rent received by an Indian resident from his property in Singapore.
NO because it is earned outside India.
- (ii) Salaries received by Indian residents working in Russian embassy in India.
NO because it is earned outside India.
- (iii) Profits earned by a foreign company or a foreign bank in India.
YES because it is earned in the domestic territory.
- (iv) Salaries paid to Koreans working in Indian embassy in Korea.
YES because it is earned in the domestic territory.

11. A. 3 + 3

$NDP_{FC} = GNP_{MP} - \text{Depreciation} - NFIA - NIT$

$$= 4680 - 400 - (-20) - (1000 - 100)$$

$$= 4680 - 400 + 20 - 1000 + 100$$

$$= \square 3400 \text{ Crore.}$$

B.

$GNP_{MP} = NDP_{FC} + \text{Depreciation} + NFIA + NIT$

$$1250 = 1100 + 50 + NFIA + 110$$

$$NFIA = 1250 - 1100 - 50 - 110$$

$$NFIA = \square (-) 10.$$
