Worksheet: National Income Accounting

IB · Class 12 · Economics · 3 questions · 13 marks

Name: _____ Date: _____ Score: _____ / 13

Q1. From the following data, calculate (i) GNP at MP and (ii) National Income (NNP at FC). GDP at MP = ₹5,000 crore. NFIA = ₹200 crore. Depreciation = ₹300 crore. Net Indirect Taxes = ₹150 crore. *[3 marks]*

Q2. Using the value-added method, calculate GDP from the following data for a simple economy: Farmer sells wheat to miller for ₹200. Miller sells flour to baker for ₹350. Baker sells bread to consumer for ₹500. Also, the baker buys electricity worth ₹20 from the power company, which is not included above. *[4 marks]*

Q3. Explain the limitations of GDP as a measure of economic welfare. Why might two countries with the same GDP per capita have very different standards of living? *[6 marks]*