

## NATIONAL INCOME NUMERICAL SUMS

### Q.1 Computation of national Income:

Consumption	= 750.00
Investment	= 250.00
Gov. Purchase	= 100.00
Export	= 100.00
Import	= 200.00

### Q.2 Calculate GDPMP & National Income.

Personal consumption Expenditure	6,500.00
Indirect taxes – subsidies	150.00
State Gov. Consumption & investment exp.	2,000.00
Central Gov. Consumption & investment exp.	500.00
Change in inventory	100.00
Gross private domestic fixed investment	1,200.00
Exports	900.00
Net factor payment to abroad	(-) 100.00
Imports	1,200.00
Depreciation	200.00

### Q3. Calculate GDPMP & National Income

Inventory Investment	100.00
Indirect taxes	100.00
Export	200.00
Net factor Income from abroad	- (50).00
Personal consumption expenditure	3,500.00
Gross residential construction investment	300.00
Depreciation	50.00
Imports	100.00
Stock Gov. purchased goods & services	1,000.00

Gross public investment	200.00
Gross business fixed investment	300.00

**Q.4 Calculation national Income & personal Disposable Income.**

GDP <sub>MP</sub>	6,000.00
Receipts of factor income from abroad	150.00
Depreciation	800.00
Indirect taxes	700.00
Payment of factory income from abroad	225.00
Corporates profits	1,200.00
Dividend	600.00
Transfer payment	1,300.00
Personal Income Tax	1,500.00

**Q.5 Calculate GNP<sub>MP</sub> by using value method.**

Value of output in primary sector	500.00
NFIA	(-) 20.00
Value of output in Tertiary	700.00
Value of output in secondary sector .	900.00
Govt. transfer payments	600.00
Intermediate consumption in tertiary	300.00
Intermediate consumption in primary sector	250.00
Intermediate consumption in secondary sector	300.00

**Q.6. Illustration: Relationship between National Income Measures.**

From the following data, calculate Personal Income and Disposable Income. Rs. Crores

(a) Net Domestic Product at Factor Cost 8,000	(e) Interest Received by Households 1,500
(b) Net Factor Income from Abroad 200	(f) Interest Paid by Households 1,500
(c) Undisbursed Profit 1,000	(g) Transfer Income 300
(d) Corporate Tax 500	(h) Personal Tax 500

**Q.7 Illustration: Consumption Function**

Assume that an Economy's Consumption Function is specified by the equation  $C = 6,000 + 0.75Y$ . Answer the following –

- (a) What will be the Consumption when Disposable Income (Y) is Rs. 20,000, Rs. 25,000 and Rs. 30,000?
- (b) Find the saving when disposable Income is Rs. 20,000, Rs. 25,000 and Rs. 30,000.
- (c) What amount of Consumption for Consumption Function C is autonomous?
- (d) What amount is induced when Disposable Income is Rs. 20,000, Rs. 25,000 and Rs. 30,000?

**Q8. Illustration: Consumption Function**

Consider the following information and frame the Consumption Function. Also compute Income (Y), when the amount of consumption is Rs. 36,000.

- Autonomous Consumption even at Zero Level of Disposable Income = Rs. 9,000
- Marginal Propensity to save = 0.40

**Q9. On the basis of the following data about an economy which consists of only two Firms, find out:**

- (a) Value Added by firm A and B and
- (b) Gross Value Added or Gross Domestic Product at Factor Cost.

	Items	(₹ in Lakh)
(i)	Sales by firm A	100
(i)	Purchases from firm B by firm A	40
(ii)	Purchases from firm A by firm B	60
(iii)	Purchases from firm A by firm B	60
(iv)	Sales by firm B	200
(v)	Closing stock from A	20
(vi)	Closing stock from B	35
(vii)	Opening stock of firm A	25
(viii)	Opening stock of firm B	45
(ix)	Indirect taxes paid by both firms	30

**Q.10 Calculate:**

- (a) Gross Value Added at Market Price, and  
 (b) National Income from the following data.

Items	(₹in lakhs )
(i) Value of output:	
(a) Primary sector	800
(b) Secondary sector	200
(c) Tertiary sector	300
(ii) Value of intermediate inputs purchased by:	
(a) Primary sector	400
(b) Secondary sector	100
(c) Tertiary sector	50
(iii) Indirect taxes paid by all sectors	50
(iv) Consumption of fixed capital of all sectors	80
(v) Factor income received by the residents from rest of the world	10
(vi) Factor income paid to non-residents	20
(vii) Subsidies received by all sectors	20

**Q.11. Given the following data and using income method calculate:**

- (a) Net Domestic Income,                      (b) Gross Domestic Income,  
 (c) Net National Income, and              (d) Net National Product at market Price.

Items	(₹ in crore)
(i) Indirect taxes	9,000
(ii) Subsidies	1,800
(iii) Depreciation	1,700
(iv) Mixed income of self – employed	28,000
(v) Operating Surplus	10,000
(vi) Net factor income from abroad	(-) 300
(vii) Compensation of employees	24,000

Q.12. From the following data, calculate the GDP at both (a) market price, and (b) Factor cost.

Items	(₹ in crore)
(i) Gross Investment	90
(ii) Net exports	10
(iii) Net indirect taxes	5
(iv) Depreciation	15
(v) Net factor income from abroad	(-) 5
(vi) Private consumption expenditure	350
(vii) Government purchases of goods and services	100

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### Q.13 Calculate $GDP_{MP}$ , $GDP_{FC}$ & National Income

Private final consumption expenditure	290.00
Gov. Final consumption expenditure	50.00
Subsidies	20.00
Gross Domestic fixed capital formation	105.00
Indirect Tax	70.00
Consumption of fixed capital	45.00
NFIA	(-) 5.00
Net addition to stock	15.00
Net exports	-5.00

### Q14. Calculate NDPMP & National Income

Subsidies	10.00
Sales	1,000.00
Closing stock	100.00
Indirect tax	50.00
Intermediate consumption	300.00
Opening Stock	200.00
Consumption of fixed capital	150.00
NFIA	10.00

**Q.15 Illustration – Estimation of National Income by Value Addition**

Suppose only the following transactions take place in an economy:

- Industry A imports goods worth Rs. 100. It sells goods worth Rs. 400 to Industry B, goods worth Rs. 200 to Industry C, and goods worth Rs. 1,000 for Private Consumption.
- Industry B sells goods worth Rs. 500 to Industry C and goods worth Rs. 800 for Private Consumption.
- Industry C sell goods worth Rs. 600 to Private Consumption and Export goods valued at Rs. 500.
- Depreciation Cost during the year is Rs. 100,
- Government realizes Indirect taxes of the valued of Rs. 100. Subsidies paid by Government is Rs. 50.

Calculate the following with the help of Net Value Added Method: (a) GNP (MP) (b) GNP (FC) (c) NNP (MP) and (d) NNP (FC)

**Q 16. Illustration: Relationship between National Income Measures**

GDP at Market Prices of a country in a particular year was Rs. 1,100 Crores. Net Factor Income from Abroad was Rs. 100 Crores. The value of Indirect Taxes – Subsidies was Rs. 150 Crores. NNP<sub>fc</sub> ₹850 Cr. Calculate the aggregate value of Depreciation.

**Q17. An economy has only two firms A and B. on the basis of following information about these firms, find out:**

- (a) Value Added by firms A and B, and  
 (b) Gross Domestic Product at Market Price.

	Items	(₹ in Lakh)
(i)	Exports by firm A	20
(i)	Imports by firm A	50
(ii)	Sales to households by firm A	90
(iii)	Sales to firm B by firm A	40
(iv)	Sales to firm A by firm B	30
(v)	Sales to households by firm B	60

**Q.18. Calculate Net Domestic Product at Factor Cost from the following data using product method.**

Items	Primary Sector	Secondary Sector	Tertiary Sector
(i) Sales	100	150	130
(ii) Closing stock	15	20	25
(iii) Intermediate Consumption	15	25	15
(iv) Opening stock	10	10	15
(v) Indirect tax	12	13	17
(vi) Subsidies	7	8	7
(vii) Consumption of fixed capital	10	12	15
(viii) Expenses of electricity and fuel	3	4	3



**Q.19.** The Following information is available for an economy. On the basis of this Information using income method, calculate: (a) Domestic Income, and (b) National income

Items	(₹ in crore)
(i) Wages	10,000
(ii) Rent	5,000
(iii) Interest	400
(iv) Dividend	3,000
(v) Mixed Income	400
(vi) Undistributed profit	200
(vii) Social security contribution	400
(viii) Corporate Profit Tax	400
(ix) Net Factor Income from abroad	1,000

**Q20.** Find NDPFC from the following

Items	(₹ in crore)
(i) Gross domestic fixed investment	10,000
(ii) Inventory investment	5,000
(iii) Depreciation	2,000
(iv) Indirect taxes	1000
(v) Subsidies	2000
(vi) Consumption expenditure	20,000