



# ST. LAWRENCE HIGH SCHOOL

*A Jesuit Christian Minority Institution*



## Worksheet 49

Class: XII

Sub: Economics

Chapter 14: National Income

Topic: Circular flow of income

F.M.: 15

Date: 09/11/2020

Multiple choice questions

1x15 = 15

1. \_\_\_\_\_ flow of income can be seen between household and firm.
  - a. Circular,
  - b. Oval,
  - c. Rectangular,
  - d. Square.
2. In factor market \_\_\_\_\_ are sellers of factors.
  - a. Firm,
  - b. Household,
  - c. Government,
  - d. Foreign sectors.
3. In factor market \_\_\_\_\_ are buyers of factors.
  - a. Household,
  - b. Government,
  - c. Firm,
  - d. Foreign sectors.
4. \_\_\_\_\_ are the sellers in goods market.
  - a. Household,
  - b. Government,
  - c. Foreign sector,
  - d. Firm.
5. \_\_\_\_\_ will considered in national income as injection.
  - a. Export earning,
  - b. Import payment,
  - c. Investment,
  - d. Consumption.
6. \_\_\_\_\_ will considered in national income as withdrawal.
  - a. Export earning,
  - b. Import payment,
  - c. Investment,
  - d. Savings.
7. \_\_\_\_\_ payment should not be included in national income.

- a. Factor,
  - b. Goods,
  - c. Transfer,
  - d. Tax.
8. There may arise \_\_\_\_\_problem in value added method.
- a. Production,
  - b. Sell,
  - c. Tax,
  - d. Double counting.
9. If we deduct \_\_\_\_\_from GDP we will get NDP.
- a. Depreciation,
  - b. Tax,
  - c. Transfer payment,
  - d. Savings.
10. That part of income which is not consumed is known as\_\_\_\_\_.
- a. Investment,
  - b. Saving,
  - c. Tax,
  - d. Revenue.
11. If \_\_\_\_\_increases the size of the circular flow increases.
- a. Tax,
  - b. Investment,
  - c. Injection,
  - d. Consumption.
12. For a closed economy GNP and GDP are \_\_\_\_\_.
- a. Different,
  - b. Zero,
  - c. Negative,
  - d. Equal.
13. Lack of sufficient \_\_\_\_\_is one of the difficulty for measuring national income.
- a. Data,
  - b. Production,
  - c. Tax,
  - d. Savings.
14. If we deduct depreciation from GNP we will get \_\_\_\_\_.
- a. GDP,
  - b. NNP,
  - c. NDP,
  - d. RGDP.
15. Planned saving and planned investment may not always \_\_\_\_\_.

- a. Zero,
- b. Positive,
- c. Equal,
- d. Negative.

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