

**St. Mary's School, Dwarka**  
**Holiday Homework**  
**Class XII**  
**Subject: Economics**  
**Week 2**  
**Worksheet 2**

- Q1. Define capital formation. (1)
- Q2. When is the national income less than domestic income? (1)
- Q3. Are the wages and salaries received by Indians working in American Embassy in India a part of Domestic Product of India? (1)
- Q4. Explain the basis of classifying goods into intermediate and final goods. Give suitable examples. (3)
- Q5. Give the meaning of factor income to abroad and factor income from abroad. Also give an example of each. (3)
- Q6. State whether the following is a stock or flow: (3)
- (a) Wealth, (b) Cement production, and (c) Saving of a household.
- Q7. Are the following included in the estimation of National Income a country? Give reasons. (3)
- i. Bonus received by employees.
  - ii. Government expenditure on defence.
  - iii. Money sent by a worker working abroad to his family.
- Q8. Are the following part of a country's net domestic product at market price? Explain (3)
- i) Net indirect tax
  - ii) Net export
  - iii) NFIA
- Q9. Giving reasons classify the following into intermediate products and final products (3)
- 1. Furniture purchased by a school.
  - 2. Chalk, duster, etc, purchased by a school.
- Q10. Giving reasons, explain the treatment assigned to the following while estimating national income. (4)