

SCHOOL - Raishma Bengali School

CLASS XII

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Sub - Economic

Unit - National Income (Value Added) Method

Date 2-05-2020

Q-1 $NDP_{FC} = ?$

Durable uses produce goods

with life span of 10 yrs

= 10

Single use producer goods

= 5

Sales

= 20

Unsold output produced during year

= 2

Taxes on production

= 1

$$Dep = \frac{\text{Cost of producer goods}}{\text{life span}} = \frac{10}{10} = 1$$

$$GDP_{mp} = \text{Sales} + \Delta \text{in stock} - \text{single use produce}$$

$$= 20 + 2 - 5$$

$$= 17$$

$$NDP_{FC} = GDP_{mp} - NIT - Dep$$

$$= 17 - 1 - 1$$

$$= 15$$

Q-182 $NDP_{mp} = ?$

Fixed capital goods with life span of 5 years = 15

Raw Material = 25

Sales = -2

Δ in stock = 1

Taxes on production = 1

Dep = $\frac{\text{cost of producer goods}}{\text{Life span}} = \frac{15}{5} = 3$

$$GDP_{mp} = \text{Sales} + \Delta \text{ in stock} - \text{Int. Cons}$$

$$= 25 + (-2) - 6$$

$$= 25 - 2 - 6$$

$$= 25 - 8$$

$$= 17$$

$$NDP_{mp} = GDP_{mp} - \text{Dep}$$

$$= 17 - 3$$

$$= 14$$

Q39) $NDP_{FC} = ?$

Particulars	₹ in crore		
	Primary Sector	Secondary Sector	Tertiary Sector
1) Sales	1000	1500	700
2) Net Indirect Taxes	50	30	—
3) opening stock	50	40	20
4) Intermediate Cons	300	750	250
5) consumption of fixed capital	10	80	60

Q.4 Firm A sells to firm B for £50. Firm B sells for private consumption. Firm C sells for £80 to firm C. Firm C sells for £100 to private consumption. Find value added by firm A, B & C.

Firm	Value of O/P V_0	Intermediate Consumption I_C	Value Added $VA = V_0 - I_C$
A	Sales to B = 50 Sales to Pvt = 70 Consump	Value of input = 0	120
B	Sales to C = £80	Purchases = 50 from A	30
C	Sales to Pvt = 100 Consump.	Purchases = 80 from B	20

Value added : Firm £120
£30
£20

Q5 Firm A buys from X inputs worth ₹ 500 crores and sells to firm B goods worth ₹ 1000 crores and to firm C goods worth ₹ 700 crores. Firm B buys from Y inputs worth ₹ 200 crores and sells to firm C goods worth ₹ 1500 crore and finished goods worth ₹ 2000 crores to households. Firm C buys from Z inputs worth ₹ 150 crore and sells finished goods worth ₹ 450 crore to households. Calculate value added by firms A, B and C and GDP mp.

Firm	Value of O/P VO	Intermediate IC Consumption	Value Added VA = VO - IC
A	Sales to firm B ₹ 1000 cr Sales to firm C ₹ 700 cr ₹ 1700 cr	buys ^X inputs 500 cr ₹ 500 cr	₹ 1200
B	Sales to firm C ₹ 1500 cr to HH ₹ 2000 cr ₹ 3500 cr	buys from A ₹ 1000 cr buys Y inputs ₹ 200 cr ₹ 1200 cr	₹ 2300
C	Sales to HH ₹ 450 cr ₹ 450 cr	buys from A ₹ 700 cr buys from B ₹ 1500 cr buys from Z ₹ 150 cr ₹ 2350 cr	₹ 1800
			GDP_{MP} ₹ 5300

Value added by firm A = GVAMP of A = ₹ 1200

Value added by firm B = GVAMP of B = ₹ 21300

Value added by firm C = GVAMP of C = ₹ 1800

₹ 53000