Time: 1 Hour

Max. Marks: 30

I. Answer any <u>five</u> of the following   5*3=15

1. What is the difference between nominal and real GDP?

2. What is national income? Is national income different from GNP at factor cost?

3. Which of the following transactions is not included in GDP and why -a) Salary of a caregiver who works at a day-care   b) Income earned by selling an old house c) Vegetables cultivated at the kitchen garden for own consumption.

4. Which assumption of classical theory can be explained by two sector (household and firm) circular flow model?

5. Prove that MPN=W/P, where MPN- Marginal productivity of labour, W/P- Real Wage and production function is Y=f($\bar{K}$, N) K-capital (constant), N- Labour

6. Why Marginal productivity of labour curve can be considered as labour demand curve?

7. What is GDP deflator? Calculate GDP deflator if Nominal GDP= 7813.2 crore and Real GDP=7813.2 crore

II. Answer any <u>one</u> of the following   1*15=15

8. Explain the classical theories of labour demand and supply. Derive classical aggregate supply curve.

9 a) Explain different approaches of calculating GDP

b) Using the given information- NNP at factor cost=8340.1, Indirect tax=703.1, Depreciation=1393.5, Income from abroad=50, Income to abroad=100, Calculate the following

   i) NNP at market price
   ii) GNP at market price
   iii) GDP at market price
   iv) GNP at factor cost