

**THE ICONIC SCHOOL**  
**SUMMER HOLIDAY ASSIGNMENT ( 2021-22)**  
**GRADE – XII**  
**SUBJECT – ECONOMICS**



**NOTE: Solve the questions in your notebook.**

1. What is a barter system? 1
2. What are the drawbacks of Barter System? 1
3. What is High Powered Money? 1
4. What are the four factors of production and what are the remunerations to each of these called? 1
5. Why should the aggregate final expenditure of an economy be equal to the aggregate factor payments? 1
6. Name the popular fields of Indian handicrafts industry. 1
7. Where was the muslin type of cotton textile found in India? 1
8. What was the state of country's real output during the first half of the twentieth century? 1
9. What do you mean by stagnant agriculture? 1
10. What are the main functions of money? How does money overcome the shortcomings of a barter system? 3
11. What is a 'legal tender'? What is 'fiat money'? 3
12. Do you consider a commercial bank 'creator of money' in the economy? 3
13. What role of RBI is known as 'lender of last resort'? 3
14. "Domestic/household services performed by a woman may not be considered as an economic activity".  
Defend or refute the given statement with valid reason. 3
15. "Compensation to the victims of a cyclone is an example of a welfare measure taken by the government".  
State with valid reason, should it be included/not included in the estimation of national income of India. 3
16. The value of the nominal GNP of an economy was Rs 2,500 crores in a particular year. The value of GNP of that country during the same year, evaluated at the prices of same base year, was Rs 3,000 crores.  
Calculate the value of the GNP deflator of the year in percentage terms. Has the price level risen between the base year and the year under consideration? 3
17. Write down some of the limitations of using GDP as an index of welfare of a country. 3
18. What is the difference between planned and unplanned inventory accumulation? Write down the relation between change in inventories and value added of a firm. 3
19. Write down the three identities of calculating the GDP of a country by the three methods. Also briefly explain why each of these should give us the same value of GDP. 3
20. Write a short note on the volume and composition of Indian trade during British rule. 3
21. How did the British exploit Indian agriculture sector? 3
22. Write a short note on commercialisation of agriculture during British rule? 3
23. What are the instruments of monetary policy of RBI? 4
24. In a single day Raju, the barber, collects Rs 500 from haircuts; over this day, his equipment depreciates in value by Rs 50. Of the remaining Rs 450, Raju pays sales tax worth Rs 30, takes home Rs 200 and retains Rs 220 for improvement and buying of new equipment. He further pays Rs 20 as income tax from his income. Based on this information, complete Raju's contribution to the following measures of income (a) Gross Domestic Product (b) NNPat market price (c) NNP at factor cost. 4
25. Suppose the GDP at market price 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 and National Income was Rs 850 crores. Calculate the aggregate value of depreciation. 4
26. Distinguish between stock and flow. Between net investment and capital which is a stock and which is a flow? Compare net investment and capital with flow of water into a tank. 4
27. "India's GDP contracted 23.9% in the April-June quarter of 2020-21 as compared to same period of 2019-20, suggesting that the lockdown has hit the economy hard". The Hindustan Times, 1st September 2020  
State and discuss any two fiscal measures that may be taken by the Government of India to correct the situation indicated in the above news report. 4
28. Discuss the state of industrial sector on the eve of independence. 4
29. Explain the functions of a commercial bank. 6
30. What is money multiplier? What determines the value of this multiplier? 6

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