



Department of Education, Sabaragamuwa/weekly school

week- February 2

Subject-Economics

Grade-12

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1. What is value added? How is it calculated?
2. What are the major components of aggregate income?
3. Explain whether the following transactions are included or not included in GDP of a country.
 - (a) A tourist hotel purchases Rs.10 million worth of foreign made canned food.
 - (b) A soft drink manufacturing company builds a new bottling plant in the capital city.
 - (c) An investor buys Rs.30 million worth of shares of a major commercial bank.
 - (d) A book publisher produces too many copies of a new book. The surplus copies that did not sell this year were added to the inventories.
4. The following macroeconomic data are given for an economy. (All figures are in Rs. million)

Autonomous consumption	=500
Planned investment (I)	=1250
Government purchases (G)	=1000
Net exports (NX)	=-250
Marginal propensity to Consume (MPC)	= 0.8

Determine the equilibrium level of National Income for this economy.