CLASS: 12	**INDIAN SCHOOL MUSCAT** **FIRST PERIODIC ASSESSMENT**	Economics
	SET - B	
QP.NO.	VALUE POINTS	SPLIT UP MARKS
1.	The unexpected obsolescence of fixed asset is called capital loss	1
2.	Depreciation	1
3.	Exports	1
4.	When NFIA becomes negative due to more factor income to abroad	1
5.	It is the contribution of residents only	1
6.	Land means all natural resources used in the production.	1
7.	Intermediate cost = price X unit produced – value added = 200 x 5 - 570 = 430	3
8.	a) True , It is measured over a period of time b) Flase , government also buys good and services for its final consumption c) False , it can be negative when opening stock is more than closing stock.	3
9.	It is a model which explain the interaction between different sector in the economy in the form of flow of income or goods and services. Simple economy model based on the assumption that economy has two sectors , household and firm and there is no financial market to encourage saving. It has two flows , real flow and money flow. 1. Real Flow - It refers to the flow of factor services from households to firms and the corresponding flow of goods and services from firms to households. 2. Money Flow - It refers to flow of factor payments from firms to households for their factor services and corresponding flow of consumption expenditures from households to firms for purchase of goods and services produced by the firms. It is also called nominal flow. Diagram (1 mark)	1 2
10.	Value added by firm A = (120 + 8) - (45 + 10 + 4) = 69 Value Added by firm B = (100 + 10 + 6) - (25 + 4) = 87	2 + 2