CLASS: 12	INDIAN SCHOOL MUSCAT FIRST PERIODIC ASSESSMENT	Economics
	SET - C	
QP.NO.	VALUE POINTS	SPLIT UP
1	D	MARKS
1.	Depreciation	1
2.	The unexpected obsolescence of fixed asset is called capital loss	1
3.	Exports	1
4.	Land means all natural resources used in the production.	1
5.	It is the contribution of residents only	1
6.	When NFIA becomes negative due to more factor income to abroad	1
7.	Purchase of raw material = price X unit produced – value added = 150 x 10 - 1000 = 500	3
8.	<ul> <li>a) False, It is measured at point of time</li> <li>b) False, It purchases intermediate goods like non- durable goods also.</li> <li>c) True, When opening stock is greater than closing stock</li> </ul>	3
9.	Value added by firm $A = (120 + 8) - (45 + 10 + 4) = 69$ Value Added by firm $B = (100 + 10 + 6) - (25 + 4) = 87$	2 + 2
10.	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
	<ol> <li>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.</li> <li>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.</li> <li>Diagram (1 marks)</li> </ol>	2