

# CLASS XII

## GUESS PAPER

### ECONOMICS

**Duration: 30 mins**

**Topic: Circular Flow of Income**

**Marks: 20**

1. Which of the following is a phase of circular flow of income?
  - a. Generation phase
  - b. Distribution Phase
  - c. Disposition Phase
  - d. All of these
2. Which of the following is not an example of flow variable?
  - a. Number of births during a year
  - c. National income
  - b. National wealth
  - d. Wheat produced during a year
3. Which of the following is not considered a factor income?
  - a. Rent
  - c. Gifts from abroad
  - b. Wages
  - d. Profit
4. Two- sector economy consists of:
  - a. Households, firms
  - c. Households, government
  - b. Firms, foreign sector
  - d. Firms, government
5. Stock variable is defined as a variable which is:
  - a. Measured over a period of time
  - c. Cannot be measured
  - b. Measured at a particular point of time
  - d. None of these
6. Losses are classified as:
  - a. Stock variable
  - c. Either a or b
  - b. Flow variable
  - d. Neither a nor b
7. Real flow is also known as
  - a. Nominal flow
  - c. Money flow
  - b. Physical flow
  - d. Both a and b
8. Which flow involves exchange of:
  - a. Goods and services
  - c. Money
  - b. Gifts
  - d. None of these
9. Real flow refers to the flow of factor services from \_\_\_\_\_ to \_\_\_\_\_
  - a. Firms to households
  - c. Firms to government
  - b. Households to firms
  - d. Households to government
10. In a closed economy, \_\_\_\_\_ is not included:
  - a. Households
  - b. Firms
  - c. Government
  - d. Foreign sector

11. Classify the following as Stock and Flow:

( 10 x 0.5 = 5 )

- a. Amount of bank deposits as on 31.10.2015
- b. Losses
- c. Production of cement in the year 2014
- d. Profit
- e. Population of India as on 31<sup>st</sup> Mar, 2015
- f. Number of literate people as on 31.10.2014
- g. Savings
- h. National income of a country
- i. Capital
- j. Number of persons employee during December.

12. “In a two – sector economy, national product is equal to national income”. Comment. 3

13. What is meant by circular flow of income? 1

14. What is the function of households in circular flow (two – sector model)? 1