

(g) The GNP gap is the gap between

(i) GNP and NNP

(ii) GNP and depreciation

(iii) GNP and GDP

(iv) potential and actual GNP

(h) Net exports are negative when

(i) net investment is positive

(ii) exports are exceeded by imports

(iii) exports exceeded private transfer to foreigners

(iv) imports are exceeded by exports

2. Write short notes on any *four* of the following (**within 150 words** each) :

4×4=16

(a) Gross value addition and net value addition

(b) Marginal efficiency of capital

(c) Absolute income hypothesis

(d) Economic openness in Indian economy

(e) Capital account and current account of Balance of Payments

Answer the following questions (**within 500 words** each) :

3. (a) Define national income. Explain the production and expenditure methods of calculating national income. What is the meaning of green accounting of national income? 2+8+2=12

Or

(b) Distinguish between the following :

3×4=12

(i) Nominal GDP and Real GDP

(ii) NNP at market price and NNP at factor price

(iii) Personal income and Disposable personal income

(iv) Gross value addition and Net value addition