10 Tips To ACE THE ECONOMICS PAPER

Observe these 10 commandments to max your examination:

1. While making any graph, be sure that you have properly label the variables you took on the two axes.
2. Wherever you are solving any numerical, ensure that you write the formula first and then show the working.
3. In national income accounting, be careful about net factor income to abroad if its value is given as -10 (remember to change the sign of the numerical value i.e. Net Factor income from abroad then it would be +10) (if receipts are more in payments, NFIA is positive or vice versa)
4. If the value of depreciation is not given directly, check if gross capital formation and net capital formation are given then:

   \[ \text{Dep} = \text{Gross Capital Formation} - \text{Net Capital Formation} \]

Depreciation can also be calculated if Gross national disposable income and net national disposable income are given then


5. Remember that if sales and exports are given, exports are not to be included in calculating the value of output, as it is already included in sales. But if domestic sales and exports are given, then exports are to be included along with domestic sales for calculating the value of output.
6. Don’t include purchase of machine to calculate intermediate consumption as they are capital goods which are final and not intermediate goods.
7. When any aggregates and its subcomponents are mentioned don’t include both (to avoid double counting) i.e., if both profits and undistributed profits are provided, then undistributed profits are not to be included as it is a component of profits and including both would amount to double counting.
8. If both purchase of raw materials and import of raw materials are given, then intermediate consumption would not include import of raw material as it is already included in purchase of raw material.
9. Some of the important and relatively easy topics, which must be prepared well, are central economic problem, determinants of equilibrium price, money + banking and budget.
10. Try not to break the sequence of answering the question. Though you can choose to answer in ascending or descending order.