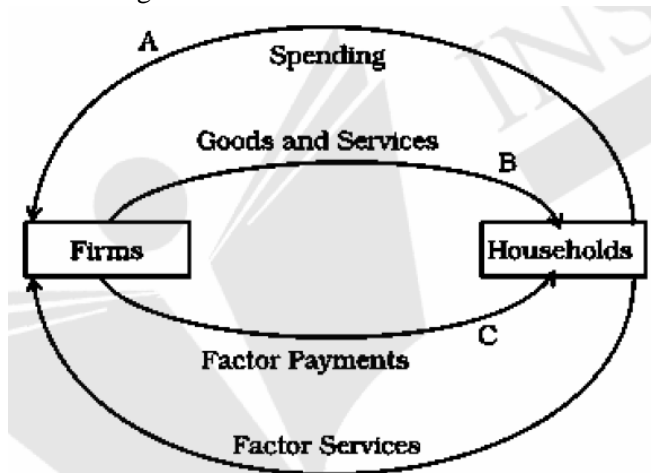


(SOLUTION) TEST - 33 (IPM 2022)

37. Correct Answer : D

Answer Justification :

Factor payments are the sum total of remunerations earned by the four factors of production. **Only if it is a closed system where only those who work are able to buy goods, there is no leakage from the system.** See the diagram below.



In Fig. 2.1, the uppermost arrow, going from the households to the firms, represents the spending the households undertake to buy goods and services produced by the firms. The second arrow going from the firms to the households is the counterpart of the arrow above.

It stands for the goods and services which are flowing from the firms to the households. In other words this flow is what the households are getting from the firms for which they are making the expenditures. Observe that the aggregate spending of the economy must be equal to the aggregate income earned by the factors of production (the flows are equal at A and C).

Q Source: Page 15: Chapter 2: 12th NCERT Macroeconomics

38. Correct Answer : B

Answer Justification :

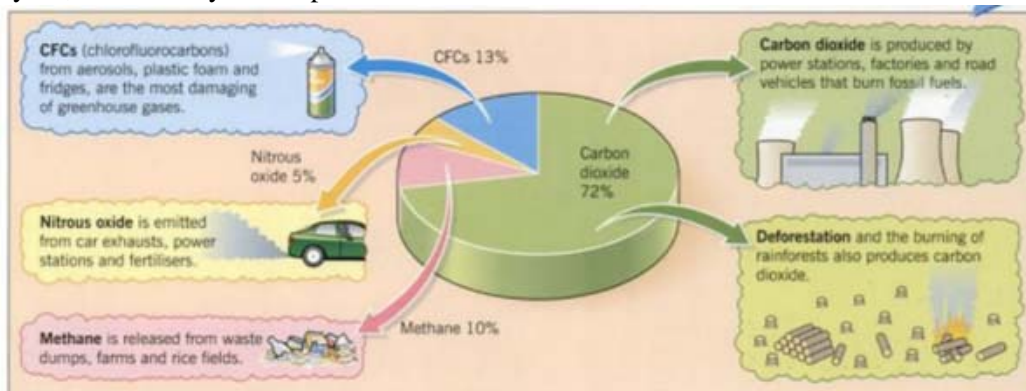
Globally, about 40 percent of total N₂O emissions come from human activities. Nitrous oxide is emitted from agriculture, transportation, and industry activities, described below.

Agriculture: Nitrous oxide is emitted when people add nitrogen to the soil through the use of synthetic fertilizers.

- Agricultural soil management is the largest source of N₂O emissions in the United States, accounting for about 75 percent of total U.S. N₂O emissions in 2015.
- Nitrous oxide is also emitted during the breakdown of nitrogen in livestock manure and urine, which contributed to 5 percent of N₂O emissions in 2015.

Fuel Combustion: Nitrous oxide is emitted when fuels are burned. The amount of N₂O emitted from burning fuels depends on the type of fuel and combustion technology, maintenance, and operating practices.

Industry: Nitrous oxide is generated as a by-product during the production of nitric acid, which is used to make synthetic commercial fertilizer, and in the production of adipic acid, which is used to make fibers, like nylon, and other synthetic products.



Q Source: <https://www.epa.gov/ghgemissions/overview-greenhouse-gases>