



MISSION SELECTION



रेलवे NTPC / GROUP - D SERIES

GS

राष्ट्रीय आय

NINP

✓ **National Income**
(g.d.p, g.n.p , NDP)



18 NOV
3:00 PM

Welcome everyone.

National Income

What is National Income?

राष्ट्रीय आय

निर्दिष्ट समय / वित्तीय वर्ष / Financial year

+
देश में उत्पादित वस्तु और सेवाएं
✓ Object ✓ Services

+
पैसिक मूल्य / Monetary value

*
[1 April to 31 March]
National Income

Avoid → Double counting

Ex → $21\text{₹} \rightarrow \underline{\underline{10}} = \textcircled{10} \checkmark$
 ↓
 3 PKT / wheat → 15 + 5 ✓

Bakery → 4 x packet → Bread

$4 \times 10 = \textcircled{\underline{\underline{40}}}$
 (25)

↓
National Income

X
 $= \underline{\underline{65\text{₹}}}$ → Double country

National Income 1st calculated in 1868 =
राष्ट्रीय आय की गणना

[Poverty & unbritish rule in India' → 1857 की शुरुआत] Book / Dada Bhai Naoroji political leader
↳ The Grand old Man of India

Total Income → 340 crore
कुल राष्ट्रीय आय

Per capita Income / per person Income
प्रति व्यक्ति आय

⇓
₹ 20 / year =

This counting is not regarded as Scientific counting

पहली वैज्ञानिक गणना
or
1st scientific counting

→ V. K. R. V Rao

Study → 1926-1930

Book

* National Income in British India

$$\text{Per capita Income} = \text{₹ } \underline{76} \times \text{population}$$

Two methods of calc. N.I.

Total Income

- ① उत्पादन लागत प्रणाली / Production cost system
- ② आय-निर्गत प्रणाली / Income-expenditure system

After Independence → committee

[1947]

↓
NIC → National Income Committee

↓ chairman
P. C. Mahalanobis

Two members { V. K. R. V Rao
D R Gadgil

3 years

↖ [1948 - 1951] → study

Total Income → 8650 crore

P.C.I / प्रति व्यक्ति आय → 246.9 ₹

Now this task is given to C.S.O

Total Income calculation
is divided in 3 parts

Central statistical org.
केन्द्रीय सांख्यिकी संस्था

- ① Agriculture / Primary sector / कृषि विभाग — ④
- ② Secondary sector / Industrial sector / उद्योग विभाग — ③
- ③ Tertiary sector / Service sector / सेवा विभाग → ⑦

Agriculture Sector / Primary → 50% Income

- ① કૃષિ → એલ, પશુલ, + Naturally
 - ② અષ્ટ (mining)
 - ③ ઢત ઝયૌગ / Forest production
 - ④ Pisciculture / મલય પાલત, યઝપાલત / Animal Husbandary
- ↓
70% people
were farmers

Secondary Sector → 3 division

→ Production / ઝયૌગ

→ Re-production / વિનિર્મલ ઝયૌગ

→ Energy sources

⑦ ← Tertiary Sector / Service Sector ✓

- ↳ Bank, बीमा, दूरसंचार (Telecommunication)
 - ↳ Railways or Transport [Bus, Auto]
 - ↳ foreign relationship / विदेशी संबंध
 - ↳ Govt. Management / सार्वजनिक प्रशासन
 - ↳ Trade / व्यापार Hotel / Restaurants
 - ↳ आवास व सर्वे संपत्ति → Property
 - अन्य / others
- ↓
Rent

Current National Income

Agriculture → 15.4%

Industries — 23%

✓ Service → 61.5%

G.D.P → Gross Domestic product

एकल क्षेत्र उत्पाद

→ 1 financial year

वित्तीय वर्ष

→ 1 April - 31 March



Goods + services → production
उत्पाद



Counted in our

India only

↓
(Geographical area)

भूगोलिक क्षेत्र

↓
मानव संसाधन

* Current G.D.P

↓
2.6 trillion dollar

Rank → 6th rank

PPP → Purchasing power parity → 3rd

Our Export is lesser than Import
निर्यात आयात

$$\checkmark GDP = \text{Consumption} + \text{Investment} + G.E + \cancel{X}$$

G.E → Govt. expenditure

$$+ [\text{Export} - \underline{\text{Import}}]$$

⇓

always negative

U.S.A > China > Japan > Germany > U.K > France

India
↓
6th

NDP → Net Domestic product
શુદ્ધ / નિદત દરેલ્ડ રૂપાંતર
⇓

[N.D.P] GDP - depreciation / દરત / દરિતીતર

⇓
N.D.P is better method of calculating National Income

⇒ G.N.P → Gross national product
सकल राष्ट्रीय आय

Income generated by India

N.N.P → Net National product generated by
शुद्ध निवल राष्ट्रीय आय Indian

⇓

⇐ $N.N.P = G.N.P - \text{depreciation from abroad}$
Best method of calculating National Income

⇒ Telegram-Hasnain mahendras GS

NATIONAL INCOME

J.M Keynes, a famous economist defined National income as follows. “National Income is the money value of all goods and services produced in a country during a financial year”.

Note- According to CSO the source of income divided into four part rent, profit, wages, interest .

The total amount of money earned within a country.





GROSS DOMESTIC PRODUCT (GDP)

GDP is the money value of all final goods and services produced in the domestic territory of a country during an accounting year.

AMARTYA SEN FORMULA

$$W = U + (1-g)$$

g = Inequality

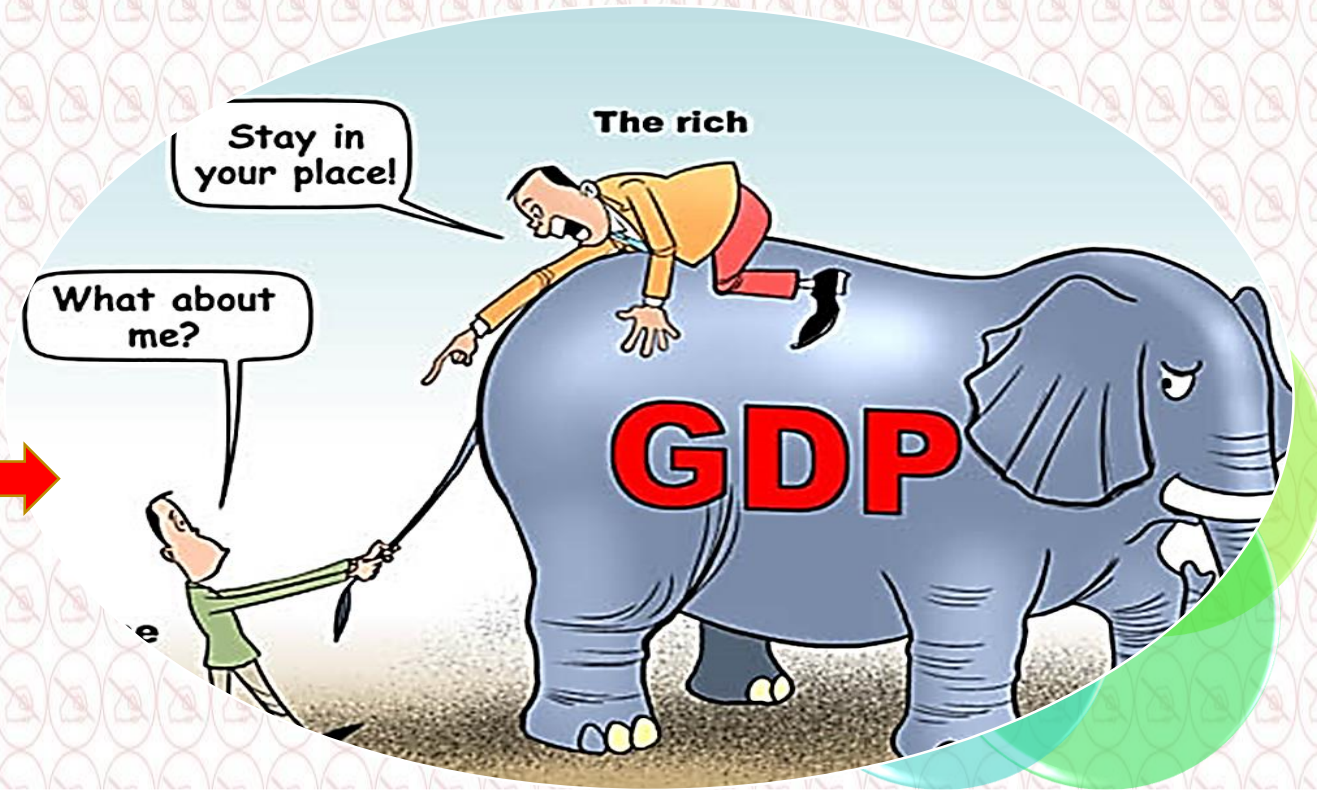
W = welfare

U = Per Capita Income

GDP AND
WELFARE

1998
ECONOMICS
NOBLE
PRIZE
WINNER

If the GDP of
the country is
rising, the
welfare may
not rise as a
consequence.



GROSS NATIONAL PRODUCT (GNP)

- **Monetary value of final goods and services which is produced by the citizens of any country in a financial year, called GNP.**
 - **Production by those Indians who are living in India OR production by those Indians who are living abroad both will be included in GNP.**
- $$\text{GNP} = \text{GDP} + \text{Net factor income from Abroad}$$

$$\text{GNP} = \text{GDP} + \text{Net factor income from Abroad}$$



NET DOMESTIC PRODUCT (NDP)

- **$\text{NDP} = \text{GDP} - \text{DEPRECIATION}$**

NET NATIONAL PRODUCT (NNP)

- **$\text{NNP} = \text{GNP} - \text{DEPRECIATION}$**

MEASUREMENT OF NATIONAL INCOME



PRODUCTION METHOD

INCOME METHOD

EXPENDITURE METHOD

PRODUCTION METHOD

In this method, National Income is measured as a flow of goods and services.

Final goods here refer to those goods which are directly consumed and not used in further production process.

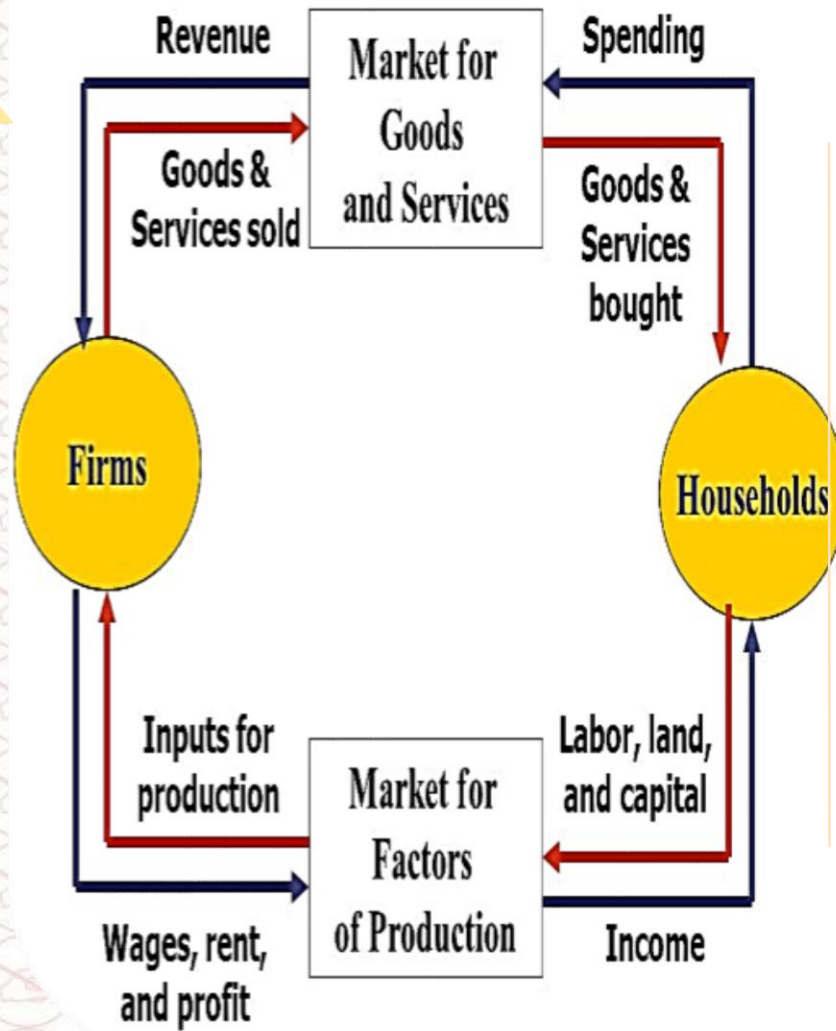
We calculate money value of all final goods and services produced in an economy during a year.

PRODUCTION METHOD

Goods which are further used in production process are called intermediate goods.

In the value of final goods, value of intermediate goods is already included therefore we do not count value of intermediate goods in National income otherwise there will be double counting of value of goods.

PRODUCTION METHOD



**GROSS DOMESTIC
PRODUCT AT
MARKET PRICE
(GDP_{mp})**

- (-) DEPRECIATION
- (-) NET INDIRECT TAXES

**DOMESTIC INCOME
(NDP_{fc})**

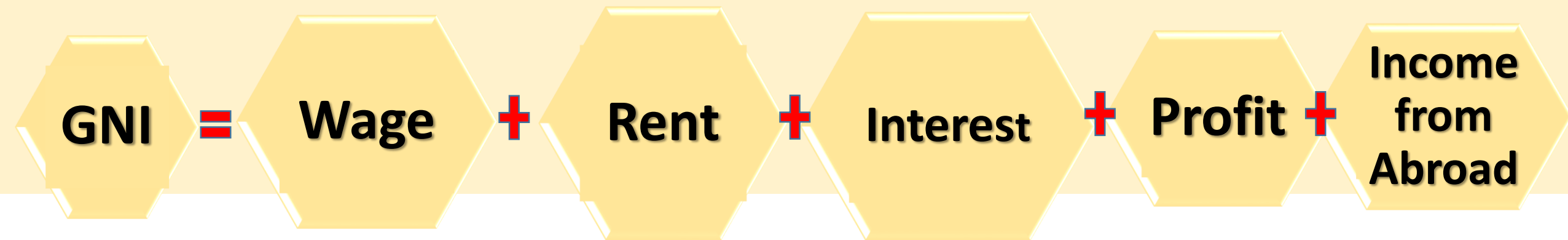
- (+) NFIA

**NATIONAL INCOME
(NNP_{fc})**

INCOME METHOD

Under this method, National Income is measured as a flow of factor incomes. There are generally four factors of production labour, capital, land and entrepreneurship. Labour gets wages and salaries, capital gets interest, land gets rent and entrepreneurship gets profit as their remuneration.

Besides, there are some self-employed persons who employ their own labour and capital such as doctors, advocates, CAs, etc. Their income is called mixed income. The sum-total of all these factor incomes is called NDP at factor costs.





EXPENDITURE METHOD

In this method, National Income is measured as a flow of expenditure. GDP is sum-total of private consumption expenditure, Government consumption expenditure, gross capital formation (Government and private) and net exports (Export-Import).



NATIONAL INCOME

- $NNP_{(fc)} = NNP_{(mp)} - \text{INDIRECT TAX} + \text{SUBSIDY}$

- $NNP_{(fc)} = NNP_{(mp)} - \text{NET INDIRECT TAX}$

GROSS VALUE ADDITION (GVA)

- The new base year is 2011-12 against the previous base year of 2004-05.
- Earlier, calculation was based on the factor cost or cost of production.
- Now keeping line with the international practices tabulation will be done on the basis of market price or the price which consumer pays. This is also called gross value addition (GVA).
- New method also includes more detailed data on corporate activity data, newer surveys of spending by house holds and in formal business and taxes paid (after deducting subsidies).



CENTRAL STATISTICAL OFFICE (CSO)

- **ESTABLISHMENT- 2ND MAY 1951**
- **HEAD OFFICE- NEW DELHI**
- **WORKING OFFICE- KOLKATA**



OTHER SUPPORTING ORGANISATION

- ✓ National Accounts Division (NAD)
- ✓ Economic Statistics Division (ESD)
- ✓ Social Statistics Division (SSD)
- ✓ Coordination & Publication Division (CAP)
- ✓ National Statistical Audit (NSA)



सत्यमेव जयते

MOSPI

Finally report published by MOSPI (Ministry of Statistics and Programme Implementation)



सत्यमेव जयते

Government of India
Ministry of Statistics and
Programme Implementation

QUERIES





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