

# WELCOME TO ECONOMICS CLASS

**SUBJECT: ECONOMICS** 

**CHAPTER: DEVELOPMENT** 

PERIOD: 3

SUB-TOPIC: HOW TO COMPARE DIFFERENT COUNTRIES AND STATES?

STD-X

**CHANGING YOUR TOMORROW** 

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#### WHAT WE EXPECT TO LEARN?



#### At the end of the class the students will understand

- 1. What are the different strategies to compare the individual and country or the state?
- 2. What are the other components used rather than income to compare the countries or states?
- 3. They will realise that per capita/average income is not the real criterion to measure the country's development.
- 4. They will come to know the limitation of the use of per capita income/average income.

## Recapitulation of the previous class



- 1. Name the basic criterion that is used by World Bank for comparison of countries on the basis of development.
- 2. Which criterion is used in World Development Report in classifying countries?
- 3. Why is per capita income counted in dollar rather than our rupee?
- 4. Write one example of inequality in urban areas.
- 5. Countries with higher income are----- than others with less income.
- 6. Total income of the country divided by its total population is known as-----
- 7. Give four examples where an average is used for comparing situation.
- 8. Classify the country on the basis of per capita income.



### Useful ways to compare countries

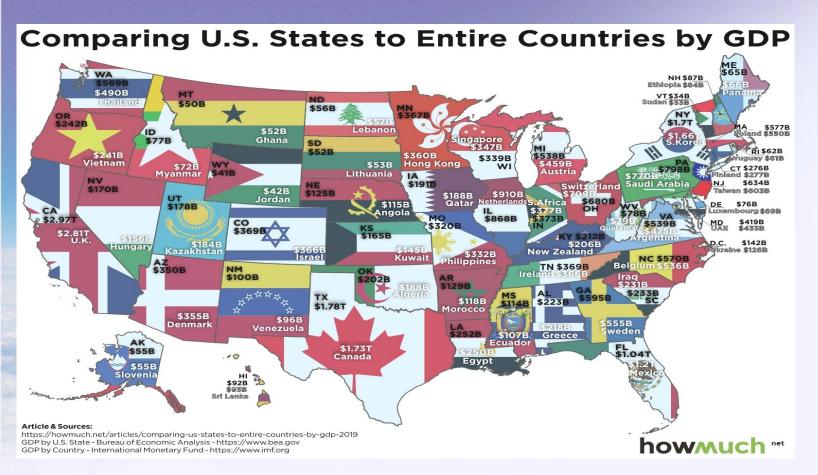
- Population
- GDP / GDP per capita
- Trade Balance
- Human Development Index
- Demographic Transition Model





#### HOW TO COMPARE DIFFERENT COUNTRIES/STATES?





- AVERAGE INCOME- Total income of the country/total population
- The average income also called PER CAPITA







## Limitation of average income



## **Comparison of two countries**

MONTHLY INCOMES OF CITIZENS (in rupees)							
Country	1	II	Ш	IV	V	Total	Average
country A	9500	10500	9800	10000	10200	50, 000	
Country B	500	500	500	500	48000	50,000	

