

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 capital/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.

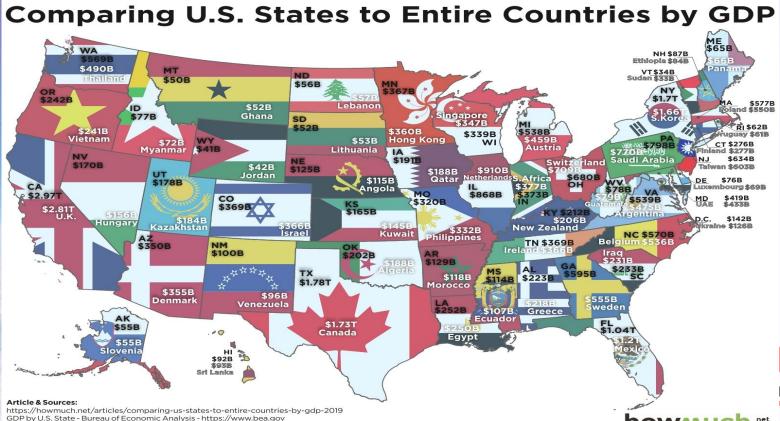




- However for comparison between countries total income is not m who academy useful measure.
- Since countries have different populations comparing total income will not tell us what an average person is likely to earn.
- Hence we compare the average income which is the total income of the country divided by its total population.
- The average income is also called per capita income.
- In World Development Reports brought out by the World Bank this criterion is used in classifying countries.
- Countries with per capita income of US\$12616 Per annum and above in 2012 are called rich countries and those with percapita income of US\$ 1035 or less are called low income countries.
- India comes in the category of low middle income countries because it's per capita income in 2012 was just US \$1530 per annum.
- The Middle East end certain other small countries are generally called developed countries.



HOW TO COMPARE DIFFERENT COUNTRIES/STATES?



GDP by Country - International Monetary Fund - https://www.imf.org



howmuch net



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	



