# Vidya Bhawan balika Vidyapeeth shakti utthan aashram Lakhisarai

Revision Class-10th

(Based on N C E R T pattern)

Date:- 10.09.XX. Economics

Development

Question 1.
Why do we use averages? Are there any limitations to their use? Illustrate with your own examples related to development.
Answer:

1. Total income is not a useful measure for comparison between countries. Since countries have different populations, comparing total income does not tell what an average person is likely to earn. Hence, we use average income which is total income of the country divided by total population.

2. The defect of average as a measure is that it does not show the distribution (dispersion) of income between the rich and the poor.

3. Two countries may have the same average income but in one country almost every family may enjoy more or less the same kind of income, whereas in the other, some may be very rich and others very poor. The disparity between rich and poor is an important feature that the average measure (per capita income) does not consider.
   Example: In terms of development, we can take the example of India, where the metro towns are full of high-rise buildings and

shopping malls while some villages have not yet been provided with a basic necessity like electricity.

Question 2.
What is per capita income? Mention any two limitations of per capita income as an indicator of development.
Answer:
The total income of a country divided by its total population gives the Per Capita Income.
Money cannot buy all the goods and services that are needed to live well. So income by itself is not a completely adequate indicator of material goods and services that citizens are able to use. For example, money can not buy a pollution-free environment or ensure that one gets unadulterated medicines, unless one can afford to shift to a community that already has all these things.

Question 3.
Kerala, with lower per capita income, has a better human development ranking than Punjab. Hence, per capita income is not a useful criterion at all and should not be used to compare States. Do you agree? Discuss.
Answer:
Per capita income is not a useful criterion at all to measure the human development ranking of a state. High per capita income is not the only attribute to a good quality life. Money cannot buy all the essential things required for a good life. Pollution-free atmosphere to ensure good health, protection from infectious diseases, lowering of mortality rate, promotion of literacy, etc. are essential for a good standard of living. In order to achieve these, joint efforts have to be made by all members of a community, be it rich or poor.
Kerala ranks higher compared to Punjab even with a lower per capita income because—

1. mortality rate is lower

2. literacy rate is higher and
3. total number of children attending school (Classes I-V) is higher.

Question 4.
On the basis of which three indicators of HDI 2004 Sri Lanka has better rank than India?
Answer:
Three indicators of HDI 2004 in which Sri Lanka has better rank than India:

1. Per capita income—The per capita income of Sri Lanka in US dollars was 4,390 US dollars while that of India was 3,139 US dollars.
2. Life expectancy at birth—The life expectancy at birth for Sri Lanka was 74, higher than that of India at 64.
3. Gross enrolment ratio for three levels—Sri Lanka had Gross Enrolment ratio of 69 while that of India was 60.

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