

Date:- 25/06/XX.

Economics

DEVELOPMENT

Question 1.

Why is per capita income of different countries calculated in dollars and not in their own currencies by the World Bank? (Board Question)

Answer:

Per capita income of different countries is calculated in dollars and not in their own currencies because the dollar has been the strongest and stablest currency since the end of the 2nd World War and it becomes easy to compare the per capita incomes of various countries when these are converted into a common currency, i.e., US dollar (\$).

Question 2.

“What may be development for one may not be development for the other.” Explain with a suitable example. (Board Question)

Answer:

Different persons have different notions of development because life situations of persons are different. For example, Construction of dams leads to generation of hydroelectricity, thus development. However many people have to be displaced from their villages, hence it may not be development for them.

Question 3.

What is meant by sustainability of development? (Board Question)

Answer:

This signifies that the level of economic development of a country should be maintained or sustained in all the years. Development in the present should not compromise with the needs of the future generations.

Question 4.

Define:

1. Infant mortality rate
2. Literacy rate
3. Net attendance ratio
4. BMI

Answer:

1. Infant mortality rate. It indicates the number of children that die before the age of 1 year as a proportion of 1000 live children born in that particular year.
2. Literacy rate. It measures the proportion of literate population in the 7 and above age group.
3. Net Attendance ratio. It is the total number of children of age group 6 to 10 attending school as a percentage of total number of children in the same age group.
4. BMI stands for Body Mass Index. It is calculated by dividing the weight of a person in kilograms (kgs) by the square of his/her height in metres. It is an indicator of the level of nourishment in adults.

Question 5.

Why do we use averages? Are there any limitations to their use? Illustrate with your own examples related to development. (NCERT Question)

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.

Mr Anant kumar