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HISTORY AND CULTURE OF INDIA

EARLY INDIA : FROM THE BEGINNINGS TO THE INDUS CIVILISATION

- ◆ Human life can be traced in India to Stone Age.
 - ◆ The sources for the history of this period are archaeological sites, geological sediments, animal bones and fossils, stone tools, bone tools, rock paintings and artefacts. There is no written evidence for this period. Although the Harappans used a script, it is yet to be deciphered.
 - ◆ The pre-historic period witnessed no development of scripts. It is referred to as Stone Age.
 - ◆ It is believed that human ancestors might have first evolved in Africa and later migrated to different parts of the world. The migrants were known as 'Homo erectus'.
 - ◆ Recent researches have revealed that humans lived in India between 2 million and 1 million years ago.
 - ◆ The period before invention of script is divided into Stone Age, Bronze Age and Iron Age. The names have been assigned depending upon the metals they used.
 - ◆ The earliest age in history is called old Stone Age or Paleolithic. This period is divided into (1) Lower Paleolithic Culture (2) Middle Paleolithic Culture and (3) Upper Paleolithic Culture.
 - ◆ The period after Stone Age is Mesolithic Age next is Neolithic Age. In the Neolithic Age only, animal and plant domestication developed leading to food production.
 - ◆ During the Lower Paleolithic Period, human ancestor species of Homo erectus is believed to have lived in India. The first Palaeolithic tools were identified at the site of Pallavaram near Chennai by Robert Bruce Foote in 1863.
 - ◆ Pre-historic study mainly depends on tools they used. They used the tools mainly for hunting, butchering and skinning the animals.
 - ◆ The industries of Palaeolithic cultures are divided into the Early, Middle and Late Acheulian Industries. The early Acheulian tools include polyhedrons, spheroids, hand axes, cleavers and flake tools. The Acheulian tradition is absent in the Western Ghats, coastal areas and north-eastern India. Heavy rainfall is attributed to its absence.
- Acheulian and Sohanian :** Based on research, two independent cultural traditions of hand axe (Acheulian) and pebble-flake (Sohanian) industries were confirmed in India. Acheulian industry mainly had hand axes and cleavers. The Sohan industry is considered to have used only chopper and chopping tools. The Sohan industry gets its name from the Sohan river valley of Pakistan. These two cultural traditions are not considered distinct any longer. Recent studies argue that there was no independent Sohan tradition as Acheulian tools are found in the Sohan industry as well.
- ◆ Lower paleolithic tools are found in Athirampakkam, Pallavaram and Gudiyam caves near Chennai, Hunsgi valley and Isampur in Karnataka, and Bhimbetka in Madhya Pradesh are some important Palaeolithic sites where the Acheulian tools are found.
 - ◆ Researchers have concluded that Paleolithic age was around two million years ago. This culture continued upto 60,000 years ago.
 - ◆ Evidence of hominin (immediate ancestors of Homo Sapiens) fossil is rare in India. The only rare hominin fossil was found in Hoshangabad in M.P. A fossil was discovered in Athirampakkam. But now not available.
 - ◆ A hominid Skull cap was found in a basal conglomerate deposit in 1982. It is considered to represent the Archaic Homo Sapiens.
 - ◆ In Narmada Valley, animal fossils of pre-historic elephant skull was discovered. Skulls of wild cattle and of great horse-like animal were also found. The teeth of horses or asses and of water buffalo were found. 17 animal hoof-prints have been uncovered at Athirampakkam.
 - ◆ The people of Lower Paleolithic age lived in caves near river valleys as seen from evidence in Bhimbetka (M.P).
 - ◆ They belonged to the species of 'homo erectus' who had no complex languages. They expressed a few sounds and signs. They were intelligent enough to use stone tools.
 - ◆ About 4,00,000 years from now, changes took place in lithic technology and the species of human ancestors diverged. Anatomically, modern humans are said to have emerged around 3,00,000 years ago. The middle Paleolithic period of Athirampakkam is dated to be around 3.85 to 1.72 lakh years from now.
- Equus refers to the genus of animals including horses, asses and zebras.
- ◆ The tool types of the Middle Palaeolithic period are hand axes, cleavers, choppers, chopping tools, scrapers, borers and points, projectile points or shouldered points and knives on flakes. Flake industry was predominant in the Middle Palaeolithic period and tools such as scrapers, points and borers were made. Scrapers were used for wood and skin working. The middle Paleolithic culture in India is dated between 3,85,000 and 40,000 BCE.
 - ◆ The Middle Palaeolithic sites are found in Narmada, Godavari, Krishna, Yamuna and other river valleys.
 - ◆ The main features of the Indian Middle Palaeolithic period include the following :
 1. The tools became smaller.
 2. The decrease in the use of hand axes in relation to other tools.

3. Use of core preparation techniques in stone tool production.
4. Use of chert, jasper, chalcedony and quartz as raw materials.

- ◆ The period of upper Paleolithic culture is marked by innovation in tool technology and increased cognitive capability of humans.
- ◆ The modern humans evolved first in Sub-Saharan region about 3,00,000 years ago. They migrated and occupied various areas of Asia around 60,000 years ago. Their tool technology improved to blades and bone tools. Many tools made of Silica - rich raw materials were used.
- ◆ Bone tools and faunal remains are found in Kurnool caves of Andhra Pradesh.
- ◆ The upper Paleolithic culture is represented in India between 40,000 and 10,000 years from now.
- ◆ The people of this period used caves as well as the open air space for living. Merabdhavi in Karnataka, Kurnool caves and Godavarikhani in Telangana, Baghor I and Baghor III of Son Valley in Madhya Pradesh and Patne in Maharashtra are some of the Upper Palaeolithic sites of India.
- ◆ Sri Lanka has evidence of microliths and hominin fossils. Incised ostrich eggshell, and shell and stone beads have been found at Jwalapuram in Andhra Pradesh, Patne in Maharashtra and Batadomba-Lena and Fa Hien Cave in Sri Lanka.
- ◆ Evidences of art in the forms of paintings, beads and ornaments of this period have been found.
- ◆ Some of the green colour paintings of Bhimbetka belong to this period according to archaeological evidence.

Mesolithic Culture

- ◆ Mesolithic culture can be found along the length and breadth of India. In the following places, the Mesolithic sites have been discovered.
- ◆ Mesolithic sites in India are found in Paisra (Bihar), Langhnaj (Gujarat), Baghor II, Chopani Mando, Sarai Nahar Rai, Mahadaha and Damdama (all in Uttar Pradesh), Sankanakallu and Kibbanahalli (Karnataka). Rock shelter sites are found in Lekhakia, Baghai Khor, Adamgarh and Bhimbetka.

Ostrich Egg Shells

Evidence of ostrich has been found in some pre-historic sites of India. The egg shell of this bird had been used as beads and those from Patne have been dated to 25,000 BP. They are found in Bhimbetka and Patne.

- ◆ Coastal sites are seen at Mumbai, Teri sites of Thoothukudy in Tamil Nadu and Vishakapatnam, which have microlithic evidence.
- ◆ The change of climate triggered migration of people to various eco-zones. Monsoon pattern had also developed.

- ◆ Even in today's deserts of Rajasthan also, there were fresh water lakes between 10,000 and 3500 B.P.
- ◆ The date of Mesolithic culture differs from place to place.
- ◆ In eastern Mediterranean (Levant) it dated between 20,000 and 9500 BCE, In Tamil Nadu and Kerala, it continued upto 1000 BCE. In Srilanka, microlithics appeared about 28,500 years BP.

Teri: A coastal landscape caused by sand dunes. These soils may have originated in the Pleistocene epoch of the Quaternary period.

Economy

- ◆ Hunting was the main Occupation, Agriculture was not practised. Domestication of animals paved the way for neo-lithic age. The rock paintings of central India depict hunting, trapping, fishing etc.
- ◆ The faunal evidence from this period shows that people belonging to this period hunted cattle, gaur, buffalo, barasingha, porcupines, sambar, chital, gazelle, hog deer, nilgai, jackal, turtle, fish, wild hare, lizard, fox and monitor lizard. Bones of rhinoceros and elephant have also been found. They used spears, bow and arrow and traps. The paintings of Bhimbetka show that various animals were hunted and for this men and women went together.
- ◆ The people used fire and perhaps roasted food. Domestic animal bones of cattle, sheep, goats, pig and dog have been found at Kanewal, Loteshwar and Ratanpur, and from Adamgarh and Bhimbetka in Madhya Pradesh sites. Camel bones have been found from Kanewal.
- ◆ The Mesolithic people were highly mobile. They made temporary hunts with perishable materials. They moved mainly in search of food.
- ◆ Oval and circular huts and possible wattle daub are found in Chopani Mando and Damdama in Uttar Pradesh and Bagor and Tilwara in Rajasthan.

Burials

- ◆ The Mesolithic people buried the dead, which suggests their beliefs and humane relationships. Human skeletons have been found in Mahadaha, Damdama and Sarai Nahar Rai in Uttar Pradesh. At Mahadaha, a man and a woman were buried together. One burial had an ivory pendant as the grave good.

Art

- ◆ Art was an integral part of mankind. The hunters and gatherers have not vanished with Mesolithic age. They continued as a marginalised class even in pre-historic period and today also.
- ◆ A chert stone used as a core had geometric engravings from Chandravati in Rajasthan, bone objects from Bhimbetka and human tooth engraved with geometric design and Rock paintings are found in the rock shelters of Madhya Pradesh and Central

India. They show people hunting, trapping animals and fishing and dancing. Bhimbetka near Bhopal, Raisen and Pachmarhi in Madhya Pradesh and South Mirzapur in Uttar Pradesh are some of the sites. Even today, we witness such groups, tribals in Andaman and Nicobar islands.

- ◆ These people might have decorated themselves with flowers and leaves.

Hunters and gatherers of the Historical Period

Many such groups lived in the 19th and 20th century, as recorded in the Edgar Thurston's Castes and Tribes of Southern India.

Characteristics of the Mesolithic Cultures

- ◆ The Mesolithic people lived in semipermanent and temporary settlements.
- ◆ They occupied caves and open grounds.
- ◆ They buried the dead.
- ◆ They had artistic skill.
- ◆ They were spread over wider geographical regions.
- ◆ Cultural continuity is noticed in many parts of India from this period.
- ◆ Their microlithic tools enabled them to hunt smaller animals and birds.

Early Neolithic Age

- ◆ The Neolithic period witnessed Agriculture and domestication of animals. The people started settling in fertile areas such as Nile region of Egypt and Mesopotamia of West Asia the Indus and Gangetic regions of India and also in China. Between 10,000 BCE and 5000 BCE, agriculture emerged in these regions.
- ◆ The production in agriculture and domestication of animals resulted in permanent settlements. Pottery developed. Cultural developments accompanied.
- ◆ The neolithic cultures came to be regionalised. The earliest culture flourished in North west India, then in north India. Eastern Zone witnessed later.
- ◆ The Neolithic culture of north-western India is the earliest to have evidence of plant and animal domestication in India. Mehrgarh, Rana Ghundai, Sarai Kala and Jalilpur are some of the Neolithic sites. These sites are now situated in Pakistan.
- ◆ It dates back to 7000 BCE. Wheat and barley were cultivated. Sheep, Goat and Cattle were domesticated. It was precedent to Indus Valley civilization.
- ◆ The first cultural period of Neolithic age of Mehrgarh dating between 7000 BCE and 5500 BCE witnessed cultivation of barley, emmer and einkorn wheat jujube, ilanthai and dates, and also domesticated sheep, goat and cattle. They were semi-nomadic, pastoral groups.
- ◆ The II period of Mehrgarh between 5500 and 4800 BCE witnessed pottery. Terracotta and glass were in

use. Long distance trade was there, as Lapez Lazuli used by them were available only in Badakshan.

- ◆ Neolithic culture in Kashmir region was contemporary to the Harappan civilisation. Burzahom, an important site of this culture, provides evidence for the Megalithic and Early Historic Periods. In this place, people lived in pit houses (about four metres in depth) in order to escape the cold weather.
- ◆ There was a trade link between the people of Burzahom and Harappan cities.
- ◆ Two phases of Neolithic culture were aceramic and ceramic phases. Pottery and hunting were in full form.
- ◆ The development of human dentistry shows the advancement of culture from eating raw meat and grains to cooked meat and cooked grains. Dentistry had also developed.
- ◆ The Neolithic sites are found at many places in Bihar and West Bengal. Birbhanpur and Chirand are some of the prominent Neolithic sites in this region along with Kuchai, Golbaisasan and Sankarjang. These cultures show similarities with the Neolithic complexes of east and Southeast Asia.
- ◆ The Neolithic cultures of South India have been found mainly in Andhra Pradesh and Karnataka and the north-western part of Tamil Nadu.
- ◆ Paiyyampalli in Tamil Nadu is the major Neolithic site in South India. Some early Neolithic sites have ash mounds. Utnur and Palvoy in Andhra Pradesh and Kodekal, Kuppal and Budihal in Karnataka feature ash mound sites. Soft ash and decomposed cow dung layers are also found at this site. The evidence of habitation in the form of houses and burials are found around the ash mounds.
- ◆ In Eastern India, the remains of the neolithic periods dating between 2500 BCE and 1500 BCE, are found in Assam, Meghalaya, Nagaland and Arunachal Pradesh.
- ◆ Daojali Hading and Sarutaru are the Neolithic sites in the Assam region. This region bears evidence for shifting cultivation.
- ◆ Austro Asiatic language used by them shows cultural similarities with South East Asia.

People and their Habitat

People	Region
Australopithecus	East Africa
Homohabilis	South Africa
Homoerectus	Africa and Asia
Neanderthal	Eurasia (Europe and Asia)
Cro-Magnons	France
Peking	China
Homo sapiens	Africa
Heidelbergers	London

INDIAN ECONOMY

- * Introduction To Economics
- * National Income And Economic Growth
- * Nature Of Indian Economy
- * Agriculture And Land Reforms
- * Indian Economy Before And After Independence
- * India's Rural Economy
- * Fiscal Economics
- * Monetary Economics
- * Banking
- * Industrial Development
- * International Economics
- * Some Important Social Welfare Schemes / Projects Of Union Government

INDIAN ECONOMY

INTRODUCTION TO ECONOMICS

Introduction

The term or word 'Economics' derived from the Ancient Greek **oikonomikos** (oikos means "households"; and, nomos means "management", "custom" or "law"). Thus, the term '**Economics**' means '**management of households**'. The subject was earlier known as 'Political Economy' and it was renamed as 'Economics', in the late 19th century by Alfred Marshall.

Nature of Economics

The nature of the economy can be understood by studying the various definitions given by the notable economists. The existence of multiplicity of the definitions makes some scholars comment that a search for a clear definition of Economics is an exercise in futility. J.M. Keynes, for example, observes that "Political Economy is said to have strangled itself with definitions".

Economics : Definitions

Four definitions, each referring to particular stage of the growth of the subject Economics, are presented here. They are :

- ◆ Smith's Wealth Definition, representing the Classical era;
- ◆ Marshall's Welfare Definition, representing the Neo-Classical era;
- ◆ Robbins' Scarcity Definition, representing the New Age; and,
- ◆ Samuelson's Growth Definition, representing the Modern Age.

"Economics is everywhere, and understanding economics can help you make better decisions and lead a happier life"
- Tyler Cowen

Wealth Definition : Adam Smith

- ◆ Adam Smith (1723 - 1790), in his book "**An Inquiry into Nature and Causes of Wealth of Nations**" (1776) defines "**Economics as the science of wealth**".
- ◆ He explains how a nation's wealth is created and increased.
- ◆ He considers that the individual in the society wants to promote his own gain and in this process, he is guided and led by an "**invisible hand**". He states that every man is motivated by his self interest. This means that each person works for his own good.
- ◆ Smith favours the introduction of "**division of labour**" to increase the quantum of output. Severe competition in industries and society helps in bettering the product. Supply force is very active and a commodity is made available to the consumers at the lowest price.

Welfare Definition : Alfred Marshall

Alfred Marshall (1842-1924) in his book "**Principles of Economics**" (1890) defines Economics as : "Political

Economy" or Economics as a study of mankind in the ordinary business of life; it examines that part of individual and social action which is most closely connected with the attainment and with the use of the material requisites of well-being. Thus, it is on one side a study of wealth; and on the other, and more important side, a part of the study of man."

The publication of Adam Smith's "The Wealth of Nations" in 1776, has been described as "the effective birth of economics as a separate discipline".

Scarcity Definition : Lionel Robbins

Lionel Robbins published a book "**An Essay on the Nature and Significance of Economic Science**" in 1932. According to Lionel Robbins, "Economics is a science which studies human behaviour as a relationship between ends and scarce means which have alternative uses"

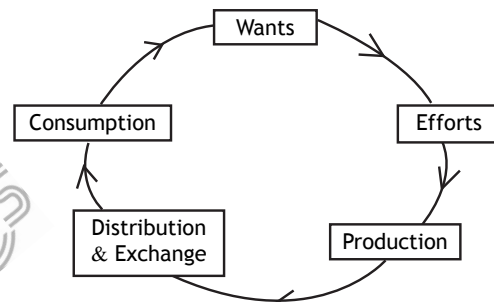
Growth Definition : Samuelson

Paul Samuelson defines Economics as "the study of how men and society choose, with or without the use of money, to employ scarce productive resources which could have alternative uses, to produce various commodities over time, and distribute them for consumption, now and in the future among various people and groups of society".

Scope of Economics

The Scope of the subject of Economics refers to the subject-matter of Economics. It throws light on whether it is an art or a science and if science, whether it is a positive science or a normative science.

Economics : Its Subject-Matter



- ◆ Economics focuses on the behaviour and interactions among economic agents, individuals and groups belonging to an economic system. Economics deals with the activities such as the consumption and production of goods and services and the distribution of income among the factors of production.
- ◆ Economics studies the ways in which people use the available resources to satisfy their multiplicity of wants.
- ◆ Scarcity is a problem indicating the gap between what people want and what they are able to get.

This scarcity can be eliminated either by limiting the human wants or by increasing the supply of the goods that satisfy the human wants.

- ◆ Economics is concerned with activities of human beings only. Human beings are related to one another and the actions of one member affect those of the other members in the society. Hence, Economics is called a Human Science or Social Science.
- ◆ All human activities related to wealth constitute the subject-matter of Economics. Thus, human activities not related to wealth (non-economic activities) are not treated in Economics.

Basic Concepts in Economics

Goods and Services

- ◆ Both goods and services satisfy human wants. In Economics, the term 'goods' implies the term 'services' also, unless specified otherwise.
- ◆ Goods (also called 'products', commodities, 'things' etc)
 - a) as material things, they are tangible;
 - b) have physical dimensions, i.e., their physical attributes can be preserved over time;
 - c) exist independently of their owner;
 - d) are owned by some persons;
 - e) are transferable;
 - f) have value-in exchange;

Goods and Services

Goods	Services
Goods are produced	Services are performed
Goods are tangible and homogeneous in nature	Services are intangible and heterogeneous in nature
Goods are physical things and involves production	Services are more like a process

Kinds of Goods and Services

Economic Goods	Free Goods
Goods which are scarce called economic goods.	Goods that are not scarce are called free goods.
Example : Chair, Table, etc.	Example : Air and Sunshine

Public Vs Private Goods

Public Goods : A good available to everyone to consume, regardless of who pays and who doesn't.

- Spillover benefits;
- Non-rival in consumption and non-excludable;
Eg : National defence, Law enforcement.

Private Goods : A good consumed by a single person or Household ;

- No spillover benefits;
- Rival in consumption and excludable;
Eg : Food and drink

Consumer goods and Capital goods :

Consumer Goods	Capital Goods
Consumer goods directly satisfy human wants	Goods do not satisfy consumers directly are called capital goods.
Example : T.V.	Example : Machines

Perishable goods and Durable goods :

Perishable Goods	Durable Goods
Perishable goods are short-lived. Their life-span is limited. For example fish, fruits, flower etc, do not have a long life.	Durable goods and semi-durable goods have a little longer life-time than the Perishable goods. For example, a table, a chair etc.

Services

Along with goods, services are produced and consumed. They generally, possess the following :

- ◆ **Intangible :** Intangible things are not physical objects but exist in connection to other things, for example, brand image, goodwill etc. But today, the intangible things are converted and stored into tangible items such as recording a music piece into a pen-drive. They are marketed as a good.
- ◆ **Heterogeneous :** Services vary across regions or cultural backgrounds. They can be grouped on the basis of quality standards. A single type service yields multiple experiences. For example, music, consulting physicians etc.
- ◆ **Inseparable from their makers :** Services are inextricably connected to their makers. For example, labour and labourer are inseparable; and,
- ◆ **Perishable :** Services cannot be stored as inventories like assets. For example, it is useless to possess a ticket for a cricket-match once the match is over. It cannot be stored and it has no value-in-exchange.

Utility

Meaning

'Utility' means 'usefulness'. In Economics, utility is the want satisfying power of a commodity or a service. It is in the goods and services for an individual consumer at a particular time and at a particular place.

Price

Price is the value of the good expressed in terms of money. Price of a good is fixed by the forces of demand for and supply of the good. Price determines what goods are to be produced and in what quantities. It also decides how the goods are to be produced.

Market

- ◆ Generally, market means a place where commodities are bought and sold.
- ◆ But, in Economics, it represents where buyers and sellers enter into an exchange of goods and services over a price.

Cost

Cost refers to the expenses incurred to produce or acquire a given quantum of a good. Together with revenue, it determines the profit gained or the loss incurred by a firm.

Revenue

Revenue is income obtained from the sale of goods and services. Total Revenue (TR) represents the money obtained from the sale of all the units of a good. Thus, $TR = P \times Q$, where TR is Total Revenue; P is the price per unit of the good; and, Q is the Total Quantity of the goods sold.

Income

Income represents the amount of monetary or other returns, either earned or unearned small or big, accruing over a period of time to an economic unit. Nominal income refers to income, expressed in terms of money. It is termed as the **money income**.

Real income is the amount of goods that can be purchased with money as income. It is the purchasing power of income which is based on the rate of inflation.

Economics : Its Types

Micro-economics

Micro Economics is the study of the economic actions of individual units say households, firms or industries. It studies how business firms operate under different market conditions and how the combined actions of buyers and sellers determine prices. Micro economics covers ;

- (i) Value theory (Product pricing and factor pricing)
- (ii) Theory of economic welfare

Importance of Micro Economics

- To understand the operation of an economy
- To provide tools for economic policies
- To examine the condition of economic welfare
- Efficient utilization of resources
- Useful in international trade
- Useful in decision making
- Optimal resource allocation
- Basis for prediction
- Price determination

The terms 'micro economics' and 'macro economics' were first used by Norwegian economist Ragner Frisch in 1933. After Prof. Frisch, the terms earned popularity when J.M. Keynes clearly distinguished between the terms through his book entitled 'General theory of 'Employment, Interest and Money' published in 1936.

Macro-economics

Macro economics is the obverse of micro economics. It is concerned with the economy as a whole. It is the study of aggregates such as national output, inflation, unemployment and taxes. The **General Theory of Employment, Interest and Money** published by Keynes is the basis of modern macro economics.

International Economics

In the modern world, no country can grow in isolation. Every country is having links with the other countries through foreign capital, investment (foreign direct investment) and international trade.

NATIONAL INCOME AND ECONOMIC GROWTH

National Income

◆ "The labour and capital of a country acting on its natural resources produce annually a certain net aggregate of commodities, material and immaterial including services of all kinds. This is the true net annual income or revenue of the country or national dividend".

Basic concepts of national income

Gross Domestic Product (GDP)

◆ GDP is the total market value of final goods and services produced within the country during a year. This is calculated at market prices and is known as GDP at market price.

$$\text{GDP by expenditure method at market prices} \\ = C + I + G + (X - M)$$

Where C – consumption goods,

I – Investment goods

G – Governments purchases

X – Exports , M – Imports

(X – M) is net export which can be positive or negative

Net Domestic Product (NDP)

NDP is the value of net output of the economy during the year. Some of the country's capital equipment wears out or becomes outdated each year during the production process.

$$\text{Net Domestic Product} = \text{GDP} - \text{Depreciation}$$

Gross National Product (GNP)

◆ GNP is the total measure of the flow of final goods and services at market value resulting from current production in a country during a year, including net income from abroad.

◆ Value of final consumer goods and services produced in a year to satisfy the immediate wants of the people which is referred to as consumption (C);

◆ Gross private domestic investment in capital goods consisting of fixed capital formation, residential construction and inventories of finished and unfinished goods which are all called as gross investment (I) ;

◆ Goods and services produced or purchased by the government which is denoted by (G); and Net exports of goods and services, i.e., the difference between