



Economics Class Notes for IAS and PCS

Chapter 2: GDP/GNP/NI/NNP/PCI

GDP / GNP / NI / NNP / GDP Deflator / PCI
GDP-GROSS DOMESTIC PRODUCT
<ul style="list-style-type: none"> ➤ Value of final goods/ service produced within boundary of Nation, during 1 year. ➤ It is quantitative, but not qualitative.
NDP-NET DOMESTIC PRODUCT
<ul style="list-style-type: none"> ➤ Net Domestic Product (NDP) = GDP – Depreciation
GNP-GROSS NATIONAL PRODUCT
<ul style="list-style-type: none"> ➤ Gross National Product (GNP) = GDP + Income from Abroad ➤ Trade balance (+ve/ –ve) ➤ Income from abroad from Interest of External loan and Private Remittance etc.
NNP-NET NATIONAL PRODUCT
<ul style="list-style-type: none"> ➤ Net National Product (NNP) = GNP – Depreciation ➤ NI (National Income)= NNP = GDP + Income from Abroad – Depreciation ➤ NI = National Income is Purest form of Income of Nation ➤ PCI = Per Capital Income = $\left[\frac{\text{NNP}}{\text{Total Population}} \right]$
<ul style="list-style-type: none"> ➤ If FDI increases, foreign flow more → Income from Abroad increases, means GNP > GDP ➤ If closed economy, GDP > GNP
GDP Deflator
$\text{GDP Deflator} = \left[\frac{\text{GDP at current price}}{\text{GDP at basic price}} \right]$
<ul style="list-style-type: none"> ➤ Depreciation Calculate: <ol style="list-style-type: none"> 1. CSO in Ministry of statistics & Program Implementation 2. DES (Directorate of Economic & Statistics) – at state level ➤ NI at Factor Price = [NNP at Market Cost – Indirect tax + Subsidies]



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