National income means the value of goods and services produced by a country during a financial year. Thus, it is the net result of all economic activities of any country during a period of one year and is valued in terms of money.

# PRE INDEPENDANCE

No paper concept or a scientific methods for calculating national income. Also no official body to calculate national income initially.

In 1876- Dadabhai Naoroji very first time estimated the NI without using any scientific method.

In 1931- Dr V K RV Rao became the 1st person to calculate NI on basis of scientific data with combination of census of income method and census of output.

# AFTER INDEPENDENCE

P C Mahalanobis was the 1st person to make a committee for appointment of NI committee in 1949.

In 1951 CSO was established in new Delhi which is an official organization for calculating NI in the country.

In India NI is calculated with the help of following methods:

1) Production method
2) Income method
3) Expenditure method

# PRODUCTION METHOD

- In India we use production and Income method to calculate NIs.

- According to production method Indian economy divided into 3 sectors:

1) *Primary sector (Agriculture , Forestry, animal husbandry Fishing, mining and extracting of raw materials,) (15.87%), )*

2) *Secondary sector (production, manufacturing , Gas supply, water supply, Automotive industry, Electrical industry, Chemical industry, energy industry, construction industry, food industry, Glass industry, Textile, Consumer goods.) (29.73%)*

3) *Tertiary sector/service (Telecom, Hospitality, Mass media, Health Care, IT, Retail sales, Education, Financial services) (54.40%)*

- Outcome from first two sector is called goods  where as last sector is called services.

- It is also called _value added method_ because we take the value of final goods (which is no more go for production) not intermediately.

- Highest _contribution coming from service sector with lowest people engagement_.

# INCOME METHOD

IT IS THE COMBINATION OF 4 FACTOR INCOME:

### Factor Income

LAND                    - A) RENT

LABOUR              - B) WAGES

CAPITAL              - C) INTEREST

ENTREPRENEUR   - D) PROFIT

GNI = RENT+ WAGES +INTEREST+PROFIT+(X-M)

# EXPENDITURE METHOD

GNI = GNE = C(CONSUMPTION EXPENDITURE)+I(INVESTMENT)+G(GOVT EXPENDITURE)+(X-M)

IT IS NOT USED IN INDIA

# W.B.C.S -YouTube schedule for 5-days

| TIMING | DAYS | | | | |
|---|---|---|---|---|---|
| | MONDAY | TUESDAY | WEDNESDAY | THURSDAY | FRIDAY |
| 11:30 | ECO | CA | ECO | POL | BEN |
| 12:00 | REAS | SCI | POL | SCI | CA |
| 12:30 | ENG | MATHS | ENG | MATHS | ENG |
| 13:00 | GEO | HIS | GEO | HIS | HIS |