**Indian Statistical Institute**

**BSDS: 2024-26**

**First Year: Semester – II**

**Economics-II**

**Practical Exercise 11**

24 April 2025

1. **The following data show the percentage distribution of different races in Malaysia (in 1970) among all households and non-poor households. The overall Head Count Ratio of Malaysia is 36.5%.**

|  |  |  |
| --- | --- | --- |
| **Races** | **Percentage distribution among** | |
|  | **All households** | **Non-poor households** |
| **Malay** | **55.4** | **42.4** |
| **Chinese** | **32.0** | **42.9** |
| **Indian** | **11.7** | **13.9** |
| **Other** | **0.9** | **0.8** |
| **Total** | **100.0** | **100.0** |

**Compute the Head Count Ratio (HCR) of each of four races in Malaysia.**

**Ans:** Suppose P = Total number of poor households in Malaysia

R = Total number of nonpoor households in Malaysia

N = Total number of households in Malaysia

|  |  |  |  |
| --- | --- | --- | --- |
| Races | Number of | |  |
|  | Households | non-poor households | HCR for 0.365 |
| (1) | (2) | (3) | (4) |
| Malay | 0.554N | 0.424R |  |
| Chinese | 0.320N | 0.429R |  |
| Indian | 0.117N | 0.139R |  |
| Other | 0.009N | 0.008R |  |
| Total | N | R | 0.365 = 1 – R/N |