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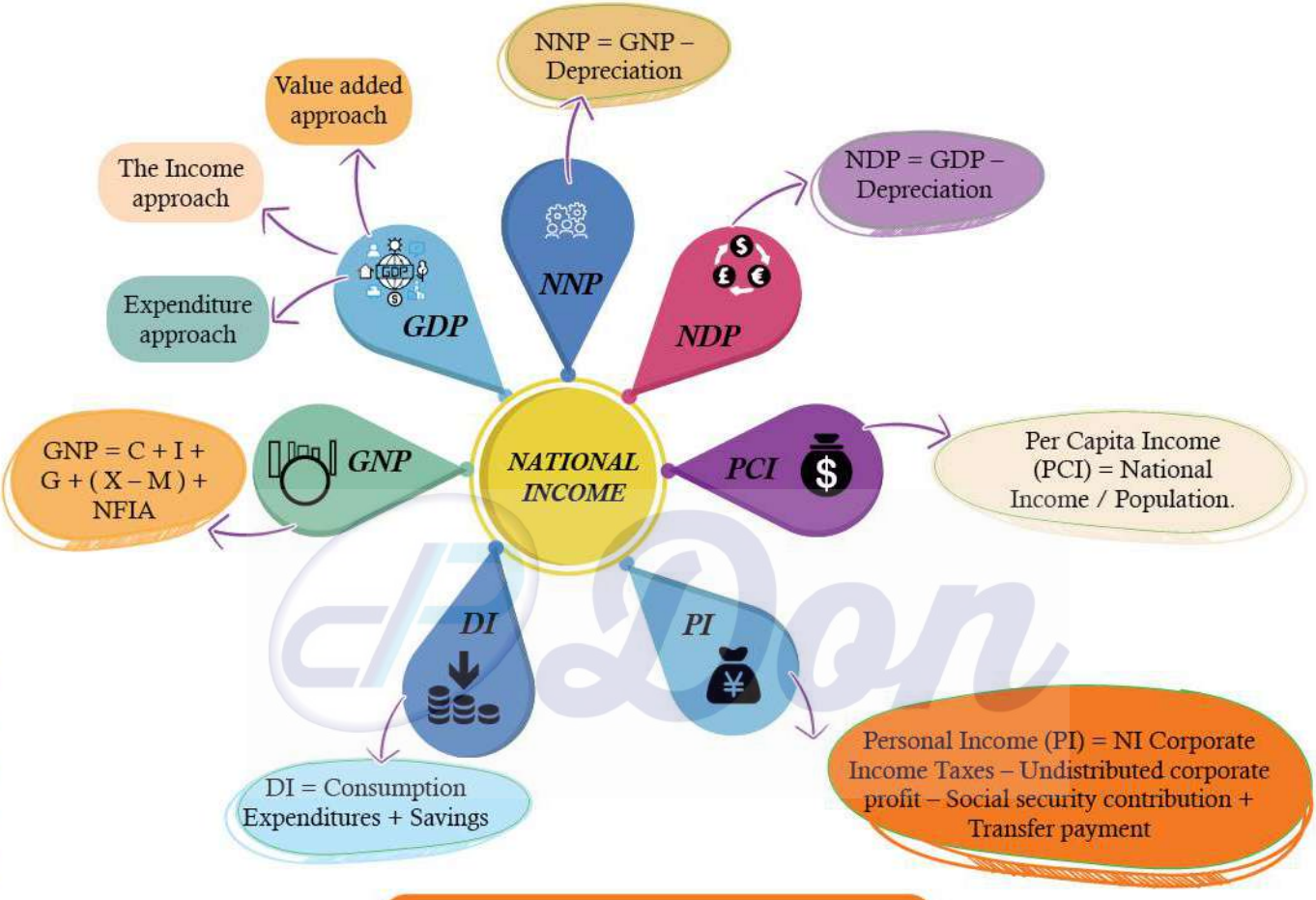
1 ECONOMICS

GROSS DOMESTIC PRODUCT & ITS GROWTH: AN INTRODUCTION

MIND MAP



POINTS TO REMEMBER

- GDP is the value of all goods and services produced within an economy in a financial year.
- Indian economy is classified in three sectors: Agriculture and Allied Industry and Service.
- Depreciation : The monetary value of an asset that decreases over time due to use, wear and tear or obsolescence.
- Income is the amount of monetary or other returns, either earned or unearned accruing over a period of time.
- Gross Value Added (GVA) is the measure of the value of goods and services produced in an area, industry or sector of an economy.
- An economic indicator is a statistical data used to determine the health of the economy.

FORMULAE & ABBREVATIONS

◆ $GDP = C + I + G + (X - M)$

GDP- Gross Domestic Product
C - Consumption
I - Investment
G - Government Expenditure
(X – M) = X = Exports – M = Imports

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GROSS DOMESTIC PRODUCT & ITS GROWTH: AN INTRODUCTION

- GNP = C + I + G + (X–M) + NFIA)
  GNP - Gross National Product
  NFIA - Net Factor Income from Abroad
- NNP = GNP – Depreciation
  NNP - Net National Product
- NDP = GDP – Depreciation
  NDP - Net Domestic Product
- PCI = National Income / Population
  PCI - Per Capita Income
- DPI = PI - Direct taxes
  DPI - Disposable Personal Income
  PI - Direct taxes
  PI - Personal Income
- DI = Consumption Expenditures + Savings
  DI - Disposable Income
- GVA = GDP + Subsidies - (direct, sales) taxes
  GVA - Gross Value Added
- HDI - Human Development Index
- UNDP - United Nations Development Programme
- GNH - Gross National Happiness

I. Choose the correct answer:

TEXTUAL QUESTIONS

1. **GNP equals**
   a) NNP adjusted for inflation
   b) GDP adjusted for inflation
   c) GDP plus net property income from abroad
   d) NNP plus net property income from abroad

2. **National Income is a measure of**
   a) Total value of money
   b) Total value of producer goods
   c) Total value of consumption goods
   d) Total value of goods and services

3. **Primary sector consists of**
   a) Agriculture
   b) Automobiles
   c) Trade
   d) Banking

4. **_____ approach is the value added by each intermediate good is summed to estimate the value of the final good.**
   a) Expenditure approach
   b) Value added approach
   c) Income approach
   d) National Income

5. **Which one sector is highest employment in the GDP?**
   a) Agricultural sector
   b) Industrial sector
   c) Service sector
   d) None of the above.

6. **Gross value added at current prices for services sector is estimated at _____ lakh crore in 2018-19.**
   a) 91.06
   b) 92.26
   c) 80.07
   d) 98.29

7. **India is _____ larger producer in agricultural product.**
   a) 1st
   b) 3rd
   c) 4th
   d) 2nd

8. **India's life expectancy at birth is _____ years.**
   a) 65
   b) 60
   c) 70
   d) 55

9. **Which one is a trade policy?**
   a) irrigation policy
   b) import and export policy
   c) land-reform policy
   d) wage policy

10. **Indian economy is**
   a) Developing Economy
   b) Emerging Economy
   c) Dual Economy
   d) All the above

ADDITIONAL QUESTIONS

11. **GDP includes**
   a) only those goods and services sold in the market
   b) only the tangible goods
   c) only the agricultural goods
   d) only the human resources

12. **Economic growth is measured by considering _____**
   a) output produced in a particular period
   b) output produced in a particular period in its monetary value
   c) output including the qualitative measure
   d) using human development index

13. **India accounts for 7.39% of total global _____ output.**
   a) industrial
   b) financial
   c) fiscal
   d) agricultural

ANSWER

1. c) GDP plus net property income from abroad
2. d) Total value of goods and services
3. a) Agriculture
4. b) Value added approach
5. c) Service sector
6. b) 92.26
7. d) 2nd
8. a) 65
9. b) import and export policy
10. a) Developing Economy
11. a) only those goods and services with the market value
12. b) output produced in a particular period in its monetary value
13. d) agricultural

II. Fill in the Blanks:

TEXTUAL QUESTIONS

1. _____ sector is largest sector in India.
2. GDP is the indicator of _____ economy.
3. Secondary sector is otherwise called _____.
4. _____ sector is the growth engine of Indian economy.
5. India is _____ largest economy of the world.
6. India is _____ fastest growing nation of the world.
7. _____ policy envisages rapid industrialization with modernization for attaining rapid economic growth of GDP.

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ADDITIONAL QUESTIONS

8. Economists call tangible items as _____ .
9. The term Gross National Happiness was coined in _____.
10. Tertiary services could be distinguished from _____ and ___ service sectors.
11. India _____ its economy by allowing foreign companies to enter in it.
12. Human development Index was introduced by _____.
13. _____ is a very important aspect of any economy.
14. LPG means _____ , _____ and Globalisation.

ANSWER

1. Service
2. Economic health
3. Industrial sector
4. Tertiary (or) service sector
5. 6^{th}
6. 5^{th}
7. Industrial
8. goods
9. 1972
10. Quaternary, quinary
11. Liberalized
12. Mahbub ul Haq
13. Industrial development
14. Liberalisation, Privatisation

III. Choose the correct statement:

TEXTUAL QUESTION

1. **The rate of saving is low in India for the following reason:**

I. Low per capita income.
II. Poor performance and less contribution of public sector.
III. Poor contribution of household sector.
IV. Savings potential of the rural sector not tapped fully.

a) I, II, IV are correct
b) I, II and III are correct
c) I, II, III and IV are correct
d) I, III and IV are correct

ADDITIONAL QUESTION

2. **The GDP is measured by**

I. addition of intermediate goods.
II. addition of final goods and services.
III. output minus intermediate consumption.
IV. addition of all the national dividends.

a) I and II are correct
b) II is correct
c) III and IV are correct.
d) I and III are correct.

ANSWER

1. d) I, III and IV are correct
2. b) II is correct

IV. Match the following:

TEXTUAL QUESTION

					Ans:
A)	1.	Electricity / Gas and Water	a.	National Income / Population	1) b
	2.	Price policy	b.	Gross National Product	2) d
	3.	GST	c.	Industry Sector	3) e
	4.	Per capita income	d.	Agriculture	4) c
	5.	C + I + G + (X - M)	e.	Tax on goods and service	5) a

ADDITIONAL QUESTIONS

					Ans:
B)	1.	Primary sector	a.	Tea powder	1) b
	2.	Secondary sector	b.	Mining	2) e
	3.	Tertiary sector	c.	Measures real development	3) d
	4.	Intermediate good	d.	Education	4) a
	5.	Human Development Index	e.	Automobiles	5) c
C)	1.	Dadabhai Navroji	a.	Intermediate goods	1) b
	2.	Tyler Cowen and Alex Tabarrok	b.	Poverty and Un-British Rule of India	2) a
	3.	Simon Kuznets	c.	Indian economist	3) e
	4.	Amartya Sen	d.	Pakistani economist	4) c
	5.	Mahbub ul Haq	e.	Modern concept of GDP	5) d

V. Answer the following in brief:

TEXTUAL QUESTIONS

1. **Define National income.**
   - National Income is a measure of the total value of goods and services produced by an economy over a period of time, normally a year'.
   - National Income is called as Gross National Product (GNP) or National Dividend.

2. **What is meant by Gross Domestic Product?**
   - Gross Domestic Product (GDP) is the total value of output of goods and services produced by the factors of production within the geographical boundaries of the country.
   - It represents the economic health of country.

3. **Write the importance of Gross Domestic Product.**
   - Study of Economic Growth
   - Unequal distribution of wealth
   - Problems of inflation and deflation

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- Comparison with developed countries of the world
- Estimate the purchasing power
- Public Sector
- Guide to economic planning

4. **What is Per Capita Income?**
   - Per Capita Income (PCI) or output per person is an indicator to show the living standard of people in a country. It is obtained by dividing the national income by the population of the country.
   - Per Capita Income = $\frac{\text{National Income}}{\text{Population}}$

5. **Define the value added approach with example.**
   - In the value added approach the value added by each intermediate goods is summed to estimate the value of the final goods.
   - The sum of the value added by all the intermediate goods used in production gives us the total value of the final goods produced in the economy.
   - ***Example:***

     To measure the market value of a cup of tea is, to add the value of each intermediate goods used to produce it such as tea powder, milk and sugar.

6. **Name the sectors contribute to the GDP with examples.**

	Sector		Examples
1)	Primary sector	:	Agriculture, cattle farm, mining, forestry, etc.
2)	Secondary sector	:	Iron and steel industry, cotton textile, jute, sugar, cement
3)	Tertiary sector	:	Scientific research, postal and Telegraph, banking, education, etc.

7. **Write the sectorwise Indian GDP composition in 2017.**

Year	Agriculture (%)	Industry (%)	Service (%)
2017	17.09	29.03	52.08

8. **What are the factors supporting to develop the Indian economy?**
   - A fast-growing population of working age.
   - A strong legal system
   - Communication and information technology

9. **Write the names of economic policies in India.**

   Economic policies in India:

   1. Agricultural policy
   2. Industrial policy
   3. New Economic policy
   4. Trade policy
   5. Employment policy
   6. Currency and Banking policy
   7. Fiscal and Monetary policy
   8. Wage policy
   9. Population policy

10. **Write a short note (1) Gross National Happiness(GNH) (2) Human Development Index (HDI).**

1) Gross National Happiness (GNH):-

The term GNH was coined in 1972 by a British journalist. The then king of Bhutan included it in the constitution of Bhutan. Thus it was enacted on 18 July, 2008 as the goal of the Government of Bhutan.

The four pillars of GNH:

1. Sustainable and equitable socio-economic development
2. Environmental conservation
3. Preservation and promotion of culture.
4. Good governance.

The nine domains of GNH:

1. Psychological well-being,
2. Health,
3. Time use,
4. Education
5. Cultural diversity
6. Good governance,
7. Community vitality
8. Ecological diversity
9. Living standards.

In 2011, the UN General Assembly urged the member nations to follow the example of Bhutan and measure happiness and well being and calling happiness a "Fundamental human goal".

2) Human Development Index (HDI):-

In 1990 Mahbub ul Haq, a Pakistani Economist at the United Nations, introduced the Human Development Index.

Composition:

It is a composite index of

(a) life expectancy at birth (b) adult literacy and (c) Standard of living

India's HDI level:

India's HDI value for 2017 is 0.640.

Between 1990 and 2017, HDI increased nearly 50% - an indicator of achievement in lifting millions of people out of poverty.

Between 1990 and 2017, the life expectancy at birth too increased by nearly 11 years with even more significant gains in expected years of schooling.

ADDITIONAL QUESTIONS

11. **What is the difference between goods and services?**

Goods are tangible items. Services are activities which are intangible.

12. **What is market value?**

The price at which goods and services are sold in the market is called market value.

13. **What is the difference between 'final goods and services' and 'intermediate goods'?**

- Final goods and services are the goods and services which will be used or consumed and will not form a part of other goods and services.
- The goods and services which will be used for producing other goods and services and will form a part of the goods and services produced are called 'intermediate goods'.

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14. **Expand the following and brief the equations or expressions for the following: GDP, GNP, NNP, NDP, PI, DI**

GDP	= Gross Domestic Product	:	GDP	= C + I + G + (X - M)
GNP	= Gross National Product	:	GNP	= C + I + G + (X - M) + NFIA
NNP	= Net National Product	:	NNP	= GNP – Depreciation
NDP	= Net Domestic product	:	NDP	= GDP – Depreciation
PI	= Personal Income	:	PI	= NI Corporate Income Taxes – Undistributed Corporate Profits – Social Security Contribution + Transfer Payment
DI	= Disposable Income	:	DI	= Consumption Expenditures + Savings
DI	= DPI = PI – Direct Taxes			

15. **How is GDP measured through Income Approach?**

GDP (Y) = Wages + rent + interest + profit

16. **What is meant by intermediate goods?**

The goods and services which will be used for producing other goods and services and will form a part of the goods and services produced are called 'Intermediate goods'.

17. **Mention some agricultural policies.**

1. Price policy 2. Land reform policy 3. Green Revolution 4. Irrigation policy
5. Food policy 6. Agricultural labour policy 7. Co- operative policy

18. **Mention some industrial policies.**

1. Textile industry policy 2. Sugar industry policy 3. Price policy of industrial growth
4. Small scale industrial policy 5. Industrial Labour policy

19. **How was Indian economy in 1990's ?**

India's economic growth has been steady, stable, diversified, resilent and reflects strong macro economics fundamentals.

20. **What is meant by 'depreciation'?**

The monetary value of an asset decreases over time due to use, wear and tear or obsolescence. This is known as depreciation.

21. **Write a note on CSO.**

The Central Statistical Organization is called (CSO). It is controlled by the Ministry of Statistical department. It maintains records. It's process involves conducting an annual survey of industries and compilation of various indexes like the Index of Industrial Production (IIP) Consumer Price Index (CPI), etc.

22. **What are the four pillars of GNH?**

- Sustainable and equitable socio-economic development
- Preservation and promotion of culture
- Environmental conservation
- Good governance

23. **What are the nine domains of GNH?**

1. Psychological well being 2. Health 3. Time use
4. Education 5. Cultural diversity and resilence 6. Good governance
7. Community vitality 8. Ecological diversity and resilence 9. Living standards

24. **How would you arrive at Net Domestic Product?**

Net Domestic Product is obtained from Gross Domestic product by deducting the quantum of tear an wear expenses. (Depreciation)

Net Domestic Product = Gross Domestic Product _____Depreciation.

VI. Answer the following in detail:

TEXTUAL QUESTIONS

1. **Briefly explain various terms associated with measuring of national income**

a. National Income:-

National Income is a measure of the total value of goods and services produced by an economy over a period of time, normally a year. It is also called as National Dividend.

b. Gross National Product (GNP)

Gross National Product is the total value of (goods and services) produced and income received in a year by domestic residents of a country. It includes profits earned from capital invested abroad.

GNP = C + I + G + (X–M) + NFIA
C = Consumption
I = Investment
G = Government Expenditure
X - M = Export – Import
NFIA = Net Factor Income from Abroad

c. Gross Domestic Product (GDP)

Gross Domestic Product (GDP) is the total value of output of goods and services produced by the factors of production within the geographical boundaries of the country.

d. Net National Product (NNP)

Net National Product(NNP) is arrived by making some adjustment with regard to depreciation. We arrive the Net National Product (NNP) by deducting the value of depreciation from Gross National Product. (NNP = GNP – Depreciation)

e. Net Domestic Product (NDP)

Net Domestic Product (NDP) is a part of Gross Domestic Product, Net Domestic Product is obtained from the Gross Domestic Product by deducting the quantum of tear and wear expenses (depreciation)

NDP = GDP – Depreciation

f. Per Capita Income (PCI)

Per capita Income or output per person is an indicator to show the living standard of people in a country. It is obtained by dividing the National Income by the population of a country.

Per capita Income = National Income / Population

g. Personal Income (PI)

Personal income is the total money income received by individuals and households of a country from all possible sources before direct taxes, therefore, personal income can be expressed as follows (PI = NI corporate Income Taxes – Undistributed corporate profits – social security contribution + Transfer payment).

h. Disposable Income (DI)

Disposable income means actual income which can be spent on consumption by individuals and families, thus, it can be expressed as DPI = PI – Direct Taxes

(From consumption approach DI = Consumption Expenditures + Savings)

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2. **What are the methods of calculating Gross Domestic Product? and explain them.**

Synopsis:-
1. Expenditure Approach
2. The income Approach
3. Value added Approach

a. Expenditure Approach:

In this method GDP is measured by adding the expenditure on all the final goods and services produced in the country during a specific period.

$Y = C + I + G + (X - M)$

b. The income Approach:

In this method GDP is calculated from the perspective of the earnings of the men and women who are involved in producing goods and services.

Y = wages + rent + interest + profit

c. Value added Approach:-

In this method GDP is calculated by including the values of intermediate goods to estimate the value of final goods.

Example: Tea Powder + Milk + Sugar = Tea

Intermediate goods → Final good

3. **Write about the composition of GDP in India**

a. Primary sector:

* Agricultural operations are undertaken.
* Allied activities of production of raw materials are concentrated .

Examples: Agriculture, cattle farm, fishing, mining, forestry, corn, coal

b. Secondary sector:

* It is an industrial sector.
* Commodities are produced by transforming the raw materials.

Examples: Iron and steel industry, cotton textile, jute, sugar, cement, paper, petrochemical, automobile and small scale industries.

c. Tertiary sector:

* It is known as service sector.

Examples: Service of Government, Scientific research, Transport, communication, trade, postal and telegraph, banking, education, entertainment, healthcare and information technology.

4. **Write the differences between the growth and development**

	Growth	Development
Definition / Meaning	It is the positive quantitative change in the output of an economy in a particular time period	It considers the rise in the output in an economy along with the advancement of HDI index which considers a rise in living standards, advancement in technology and overall happiness index of a nation.
Concept	Economic growth is the "Narrower" concept	Economic development is the "Broader" concept
Nature of Approach	Quantitative in nature	Qualitative in nature

Scope	Rise in parameters like GDP, GNP, FDI,FII etc.	Rise in life expectancy rate, infant, improvement in literacy rate, infant mortality rate and poverty rate etc.
Term / Tenure	Short term in nature	Long-term in nature
Applicability	Developed nation	Developing economies
Measurement Techniques	Increase in national income	Increase in real national income i.e. per capita income
Frequency of Occurrence	In a certain period of time	Continuous process
Government Aid	It may not require government support.	Without government intervention it is not possible.
Wealth Distribution	Economic growth does not emphasize on the fair and equal distribution of wealth/income among all its people.	It focuses on a balanced and equitable distribution of wealth among all individual and tries to uplift the downgrade societies.

5. **Explain the Developmental path based on GDP and employment**

- India first undertook the policy of closed trade. This was to give a thrust to domestic industries and reduce dependence on foreign products and companies.
- Till 1991 trade and interaction with the outside world remained limited.
- In 1991 India began to follow the policy of free trade and liberalisation and allowed foreign companies to enter the Indian economy.
- Under Five year plans a thrust was given to employment generation. This was to give the rising population job opportunities.
- Rural development was also given importance.
- Poverty alleviation came as a result of rural development and a part of the development path of India.
- The public sector was given significant importance.
- Private companies and industries were subject to strict regulations.
- It was believed that the government was the sole protector of the people and would work towards social welfare.
- For the two decades there has been a rise in the GDP and percapita income.
- Poverty has been reduced. India had attained the status of middle income country category.
- The life expectancy has reached 65 years. India has followed a different path of development form many other countries.
- India went more quickly from agriculture to services.
- There are some emerging manufacturing glants in the Indian economy.

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6. **Explain the following economic policies**
   1. Agricultural policy
   2. Industrial policies
   3. New Economic policy

Synopsis:-
Growth of GDP
1. Agricultural policy
2. Industrial policy
3. New Economic policy
4. Other policies

a. Growth of GDP:

The government of India framed many economic policies for increasing the rate of economic growth.

1. Agricultural policy:

- Agricultural policy is the set of government decisions and actions relating to domestic agriculture and imports of foreign agricultural products.
- The goal of agricultural policies is achieving a specific outcome in the domestic agricultural product markets.

Some agricultural policies:

1. Price policy,
2. Land reform policy,
3. Green Revolution,
4. Irrigation policy,
5. Food policy,
6. Agricultural labour policy,
7. Co- operative policy

2. Industrial policy:

- It is an important aspect of any economy.
- It creates employment.
- It promotes research and development
- It leads to modernization and makes the economy self-sufficient.
- It is closely related to development of trade.

Some industrial policies:

1. Textile industry policy,
2. Sugar industry policy,
3. Price policy of industrial growth
4. Small scale industrial policy,
5. Industrial Labour policy

3. New Economic policy:-

It aims to make the Indian economy fastest developing economy in the globe.

Some economic reforms:

New model economic reforms such as Liberalisation, Privatisation and Globalisation.

These economic reforms had influenced the overall economic growth of the country in a significant manner.

4. Other policies:-

- Trade policy (Import and Export policy [International trade policy] and Domestic trade policy)
- Employment policy
- Currency and Banking policy
- Fiscal and Monetary Policy
- Wage policy
- Population Policy

ADDITIONAL QUESTIONS

7. **Differentiate annual GDP and quarterly GDP**

Synopsis:-
1. Annual GDP
2. Quarter GDP

a. Annual GDP:

* The annual GDP is meant for financial year.
* The year consists of April 1 of the previous year to March 31st of the next year.

Examples:

April 1 of 2017 to March 31st of 2018 is written as the financial year 2017 – 2018

b. Quarter GDP:

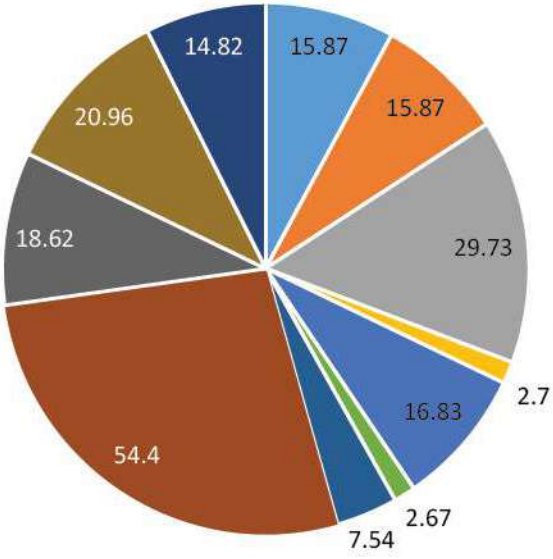
* The Quarter GDP estimates are for each of the four quarters in a financial year is divided into:
  - ~ First Quarter Q1: April, May and June.
  - ~ Secondary Quarter Q2: July, August, September.
  - ~ Third Quarter Q3: October, November, December.
  - ~ Fourth Quarter O4: January, February, March.

8. **Explain the limitations of GDP**

* Several important goods and services are left out of the GDP
  Example: Invisible services like the services of parent to the children, clean air for healthy life etc are not included because they have no market value.
* GDP measures only quantity but not quality:
  Example: The improvement in quality of goods is very important. But it is not captured by the GDP.
* GDP does not tell us about the way income is distributed in the country.
  Unequal distribution of income. So, only a small percentage of people may be benefitting from it.
* The GDP does not tell us about the kind of life people are living.
  A high level of percapita real GDP can go hand in hand with very low health condition of people, an undemocratic political system, high pollution and high suicide rate.

9. **Analyse the sector wise contribution of GDP for 2018-19 with the help of a pie chart.**

Sector-wise contribution of GDP (2018 – 19) Percentage share (%)



- Agriculture Sector (15.87)
- Agriculture Forestry & fishing (15.87)
- Industry sector (29.73)
- Mining & quarrying (2.7)
- Manufacturing (16.83)
- Electricity, gas, water supply & other utility services(2.67)
- Construction (7.54)
- Services Sector (54.4)
- Trade, hotels, transport, communication and services related to broadcasting (18.62)
- Financial, real estate & Prof services (20.96)
- Public administrative defense and other services (14.82

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10. **Explain the factors supporting Indian development.**

- A fast growing population of working age is an important factors.
- 700 hundred million Indians are under the age of 35 and the demographics show Indian growth in the next 20 years at least.
- India has a strong legal system that helps to the growth of Indian development.
- There are many English language speakers which is a key to attracting inward investment from companies such as those specialising in Information Technology.
- Wage costs are low in India.
- India's economy has successfully developed highly advanced and attractive clusters of businesses in the technology space. For example, the rapid emergence of Bangalore as a hub for global software businesses.
- External economies of scale have deepened their competitive advantages in many related industries.

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10

Unit Test

UNIT - I – Gross Domestic Product and its Growth; an Intoduction

Time : 1.00 hr. Marks : 30

I. Choose the correct answer: 6 × 1 = 6

1. National Income is a measure of _____
   a) Total value of consumption goods
   b) Total value of money
   c) Total value of goods and services
   d) Total value of producers goods

2. Gross value added at current prices for services sector is estimated at _____ lakh crore in 2018-19.
   a) 91.06 b) 92.26
   c) 80.07 d) 98.29

3. India's life expectancy at birth is _____ years.
   a) 65 b) 60
   c) 70 d) 55

4. Economic growth is measured by considering _____
   a) Output produced in a particular period
   b) Output produced in a particular period in its monetary value
   c) Output included the qualitative measure
   d) Using human development index

5. Percapita income is an indicator of
   a) Richness of people b) Poverty of people
   c) Living standard of people d) Literacy of people

6. The rate of savings is low in India for the following reason
   I. Low per capita income.
   II. Poor performance and less contribution of public sector.
   III. Poor contribution of household sector.
   IV. Savings potential of the rural sector not tapped fully.
   a) I, II, III and IV are correct b) I, III and IV correct
   c) I, II, IV are correct d) I, II and III are correct

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II. Fill in the blanks: 6 × 1 = 6

1. _____ Sector is largest sector in India.
2. GDP is the indicator of _____ economy.
3. _____ sector is the growth engine of Indian economy.
4. The process of losing value is called _____.
5. Y = C + I + G + _____
6. Bangalore has emerged as a hub for _____ businesses.

III. Match the following: 5 × 1 = 5

1. Dadabhai Navroji	-	Intermediate goods
2. Tyler Cowen and Alex Tabarrok	-	Poverty un British rule of India
3. Simon Kuznets	-	Indian economist
4. Amartya Sen	-	Pakistani economist
5. Mahbul Ul Haq	-	Modern concept of GDP

IV. Answer briefly (ANY FOUR): 4 × 2 = 8

1. Define National Income.
2. What is meant by Gross Domestic Product?
3. What is Per Capita Income?
4. Write the sector wise Indian GDP composition in 2017.
5. List some services rendered by people at a wider range.
6. How was Indian economy in 1990's ?

V. Answer in detail (ANY ONE): 1 × 5 = 5

1. Write the differences between the growth and development.
2. What are the methods of calculating Gross Domestic Product? Explain them.