

Lecture 1 Class Notes

ECO111: Introduction to Economics

Fall 2024

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1 Topic of the Day

1.1 Gross Domestic Product

1.2 Inflation and Real GDP per capita

Removing food categories in rich developed countries to calculate inflation rate might work as most people are able to afford basic food, and access to food is not a major issue for those countries. But in India, this removal is not practical as food sector encompasses as a large sector and not all people have access to basic food.

Compound Annual Growth Rate is a better metric

1.3 Purchasing Power Parity

1.4 Inequalities

Two types: Inequalities amongst people in the same nation and between growth and growth rates of different countries Metrics to measure: Rich-Poor Ratio and 90-10 ratio

1.5 Ratio Scale