Problem Set 5

1. The following table shows the distribution of assets per household in India for the year 1971-1972. Obtain a suitably truncated distribution which follows the Pareto Law. Hence compute the value of the Gini's coefficient.

Asset Group	% of Households
-500	11.38
500-1000	8.35
1000-2500	15.49
2500-5000	16.09
5000-10000	18.31
10000-20000	15.40
20000-30000	6.24
30000-50000	4.83
50000-	3.90

2. 2. The following table shows the distribution of monthly expenditure per person. Fit a lognormal distribution to the above data and hence compute the value of Gini's coefficient.

Expenditure	% Distribution of Persons
0-11	23.76
11-15	21.20
15-21	22.53
21-28	15.45
28-43	11.51
43-	5.55