

# Microeconomics of Development

## Data Exercise One

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### 1 Food and calories

1. Calculate mean monthly per capita consumption expenditure (MPCE) and mean calorie intake per person per day for each year in the sample. Use weights to calculate the means. Plot a line graph with time on the X-axis and calories as well as mpce on the Y-axis.
2. Calculate the share of expenditure on food in total expenditure. Then calculate this share for each expenditure decile in rural and urban India in 2011. Plot your calculations as a bar graph (one each for rural and urban)
3. Estimate the cross-sectional expenditure elasticity of calorie intake for 2011 using a log-log regression.

### 2 Poverty

1. The [report of the Rangarajan Committee](#) on poverty measurement (2014) came up with the following recommendation: "... [the] new poverty line thus work out to monthly per capita consumption expenditure of Rs.972 in rural areas and Rs.1,407 in urban areas in 2011-12." (p. 4)
2. Apply this criterion to the 2011 NSS consumption data and calculate the poverty rate in urban and rural India.
3. Now calculate the rate of poverty separately by religion and caste.
4. Calculate the poverty line for 1993 and 2004 using the appropriate Consumer Price Index. Then calculate the poverty rate for 1993 and 2004 in rural and urban areas.
5. Find out the rate of GDP growth between 1993 and 2004 and between 2004 and 2011. Then estimate the elasticity of poverty reduction wrt GDP.