

Application: To see the <b>strength of country's local economy</b>	Application: To see how the <b>nationals of a country</b> are doing <b>economically</b>
<b>GDP</b> is the <b>most</b> commonly used by global economies.	<b>GNP</b> is <b>not used</b> much by global economies

### Difference between GDP and GVA

Gross domestic product (GDP)	Gross Value Added (GVA)
It the <b>sum</b> of private <b>consumption</b> , <b>gross investment</b> in the economy, <b>government investment</b> , <b>government spending</b> and <b>net foreign trade</b> (difference between exports and imports)	It provides the <b>rupee value</b> for the amount of <b>goods and services produced</b> in an economy after <b>deducting the cost of inputs and raw materials</b> that have gone into the production of those goods and services.

### New GDP Series 2011-12

- Change of base year – 2004-05 to **2011-12**
- Change in GDP calculation to using market prices rather than factor costs.
- Adopted the international practice of valuing industry-wise estimates as gross value added (GVA) at basic prices.

### GDP back series

An expert committee set up by National Statistical Commission (NSC) released recently the report on back series GDP data.

The back-series data provides the earlier years' data using the new calculations.

It helps in understanding the economy, its size, growth rate more accurately.

### Gross capital formation (GCF)

- The percentage of the **investment** made each year out of the **total GDP** is called Gross Capital Formation
- **High GCF** denotes **higher rate of savings in the economy** which is required for high rate of production, capital formation, changes in production techniques
- GCF includes **capital formation** in **public sector**, **private sector** and also **household sector**

### CSO vs NSSO

Central Statistical Office (CSO)	National Sample Survey Office (NSSO)
<ul style="list-style-type: none"> <li>• It is responsible for coordination of statistical activities in the country and for evolving and maintaining statistical standards.</li> <li>• Its activities include compilation of National Accounts; conduct of Annual Survey of Industries and Economic Censuses, compilation of Index of Industrial Production, as well as Consumer Price Indices</li> <li>• It also deals with various social statistics training, international cooperation, Industrial Classification etc.</li> </ul>	<ul style="list-style-type: none"> <li>• It is responsible for conducting socio-economic surveys.</li> <li>• The surveys on Consumer Expenditure, Employment – Unemployment, Social Consumption (Health, Education etc.), Manufacturing Enterprises, Service Sector Enterprises are carried out once in 5 years by them.</li> <li>• The survey of Land and Livestock Holding and Debt and Investment are carried out once in 10 years.</li> </ul>

**MOSPI** has merged the CSO and NSSO into National statistical office(NSO).

Note: National statistical commission established in 2006, based on rangarajan commission, oversees statistical works in India.

### Business cycles

**Economic Slowdown-** A situation in which GDP growth slows but does not decline. For example, if GDP goes from 5% growth to 3% growth, an economy is experiencing a slowdown.

**Economic recession** - is a period of general economic decline and is typically accompanied by a drop in the stock market, an increase in unemployment, and a decline in the housing market.