

## National Income :-

National Income has been defined by various writers from different angles.

Generally it refers to the money value of the flow of goods and services available annually in an economy.

There are three different ways of defining national income.

\* Value of output of the period which is available for direct utilization by ~~the~~ individual consumers.

\* National income has been defined as the sum of the incomes earned during the period from the supplying of factor units for the use of production.

### Definition :-

The labour and capital resources of a country acting on its natural resources annually a certain net of aggregate of commodities, material and immaterial including services of all kind.

## National Income Accounts :-

A system of social accounting does not put the economy as a whole want private accounting does for the individual business enterprise

\* Gross National product

\* Net National product

\* National Income

\* Personal Income

\* Disposable personal Income.

## Computation of National Income methods :-

Production or Gross National product = consumption + Gross Investment = consumption + Net Investment + Depreciation :-

\* There are three methods of computation of National Income:

1. census method or product method

2. Income method

3. Expenditure method.

## Percapita Income :-

Percapita Income tells about the production of goods and services in the country. When national income is divided by the population of the country we can get percapita income.

$$\text{Percapita Income} = \frac{\text{National Income}}{\text{Population}}$$