

National income :- meaning - and.

Definition :- National income means the total income of the people of the nation in the year. The net aggregate performance of the economy in the year.

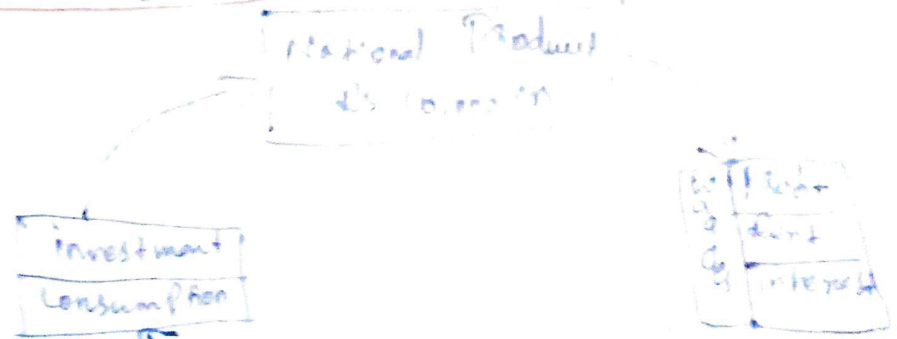
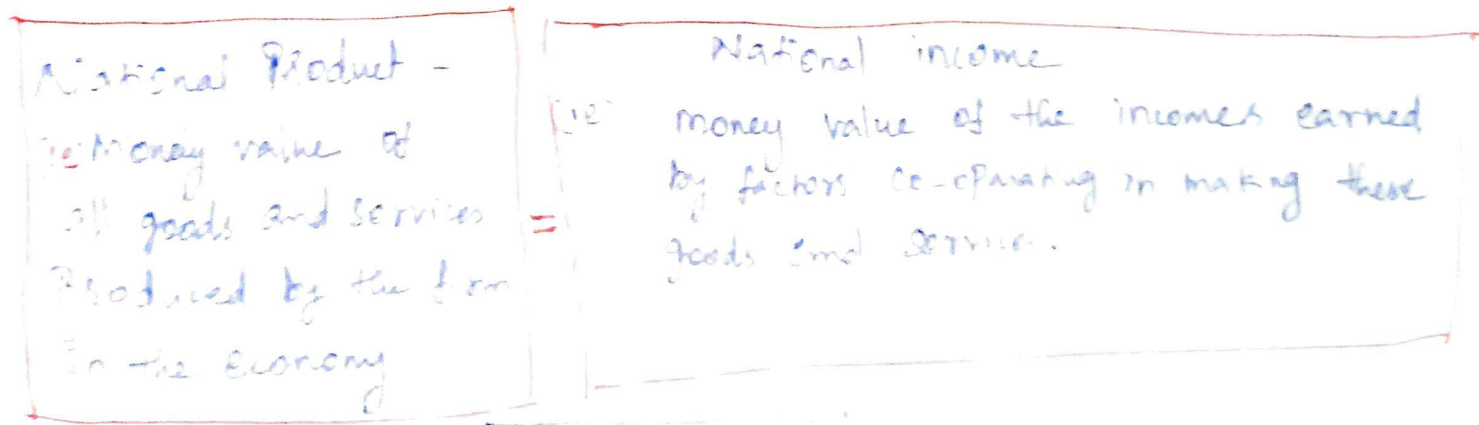
In simple words It is aggregate money value of all goods and services produced in ~~the~~ Country during a year.

Definition :- National income defined by various writers from different angle. It refers to the money value of the flow of goods and services available annually in an economy.

National Product :- National income and national Expenditure

National Product, national income and national expenditure have close identity and they are similar in the money value.

National income is equal to national Product



1. Gross National Product (GNP)
2. Net National Product (NNP)
3. National Income (NI)
4. Personal Income (PI)
5. Disposable Personal Income (DPI)
6. Per Capita Income (PCI)

Computation of National Income .

National income is nothing but the measurement of aggregate production in an economy during definite time period. We have seen in the circular flow of money and income that total expenditure, output is equal to total income.

1. Production or Output method.
2. Income method.
3. Expenditure method.

Difficulties of Computation of National Income

National income data has many uses, because of which measurement of national income is a crucial activity of economy.

The computation of NI is beset with lot of difficulties which have to be solved in order to arrive at a fairly accurate figure.

Underdeveloped countries these difficulties are more prominent.

making the very computation an extremely difficult task and the figure not too dependable