

## FAQ's

**Q.1)** On which two factors does Capital requirements of a country depends?

**Ans:** Capital requirements of a country depends on two factors: 1) the desired rate of economic growth

2) the incremental capital-output ratio

**Q.2)** State three broad institutional sectors in which the economy can be divided for estimating domestic savings?

**Ans:** For the purpose of estimating the domestic saving, the economy has been divided into three broad institutional sectors:

1. Public Sector: it comprises of government administrative departments and enterprises.
2. Private Corporate sector: it comprises of non-government non-financial companies, private financial institutions and corporate institutions.
3. Household sector: it comprises of financial savings and savings in the form of physical assets of the households.

**Q.3)** Define Population?

**Ans:** Population is defined as the total number of people who reside in a particular locality at a particular point of time.

**Q.4)** State the reasons for the secular uptrend in domestic growth?

**Ans:** The secular uptrend in domestic growth is clearly associated with the consistent trends of increasing domestic savings and investment over the decades.

**Q.5)** First phase of Demographic Transition

**Ans:** The first stage of the demographic transition is the pre-industrial stage. During this stage, both birth rates and death rates are high. The death rates are high because there is increased disease, minimal medical care, poor sanitation, and limited food supplies.

**Q.6)** Factors responsible for the sustained improvement in mortality?

**Ans:** The increased control of many infectious and parasitic diseases (e.g. smallpox, malaria, cholera), the spread of immunization coverage, general progress in improving sanitation and water supplies, increased levels of education in the population, and a very considerable expansion of health facilities, have all been significant parts of the explanation for the sustained improvement in mortality. There has been an increasing secularisation in attitudes towards sickness and disease.

**Q.7)** What is the importance of Demographic Transition?

**Ans:** Demographic Transition is the single most important feature for understanding India's development. The demographic transition represents both huge past achievements of the country, as well as substantial challenges that lie ahead.

**Q.8)** State one of the biggest improvements in conditions of life in India post-independence?

**Ans:** The increase in life expectation experienced since 1947 constitutes the biggest single improvement in the conditions of life in modern India.

**Q.9)** How to estimate the worker-population ratio for India ?

**Ans:** Divide the total number of workers in India by the population in India and multiply it by 100, you will get the worker-population ratio for India.

**Q.10)** How can you estimate savings of the household sector?

**Ans:** Savings of the household sector can be estimated as:

- 1)The total of financial savings
- 2)Saving in the form of the physical assets