



[Glossary]

Economic Inequality

Subject:	Business Economics
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Paper No. & Title:	Paper – 641 Elective PaperE2 – Economic Growth and Policy
Unit No. & Title:	Unit – 3 Human Capital-Education, Intellectual Capital & Poverty
Lecture No. & Title:	Lecture – 4 Economic Inequality

Glossary

Economic Inequality: The concept of economic inequality pertains to the unequal distribution of economic goods among different percentile groups of population.

For instance, one household may be earning wages from employment but may also be the owner of a piece of land from which it earns a contractual income by renting it on contract farming.

Functional Distribution of Income: It is the share of national income received by each factor of production. That is, the share of wages, interest, rent and profit in the distribution of national income is called the functional distribution of income.

Personal Distribution of Income: The personal distribution pertains to the ways in which households receive their total incomes.

Source of Income: The type of employment from which an individual earns income. For example, the source of income for a wage earner is labour work, for a profit earner is ownership over means of production and so on.