

Carbon Border Tax

BASIC - Environmental

BRICS - Development

Circular Economy

An economy which is based on the following -

(i) Repair

(ii) Recycling

(iii) Refurbishment

(iv) Sharing etc.



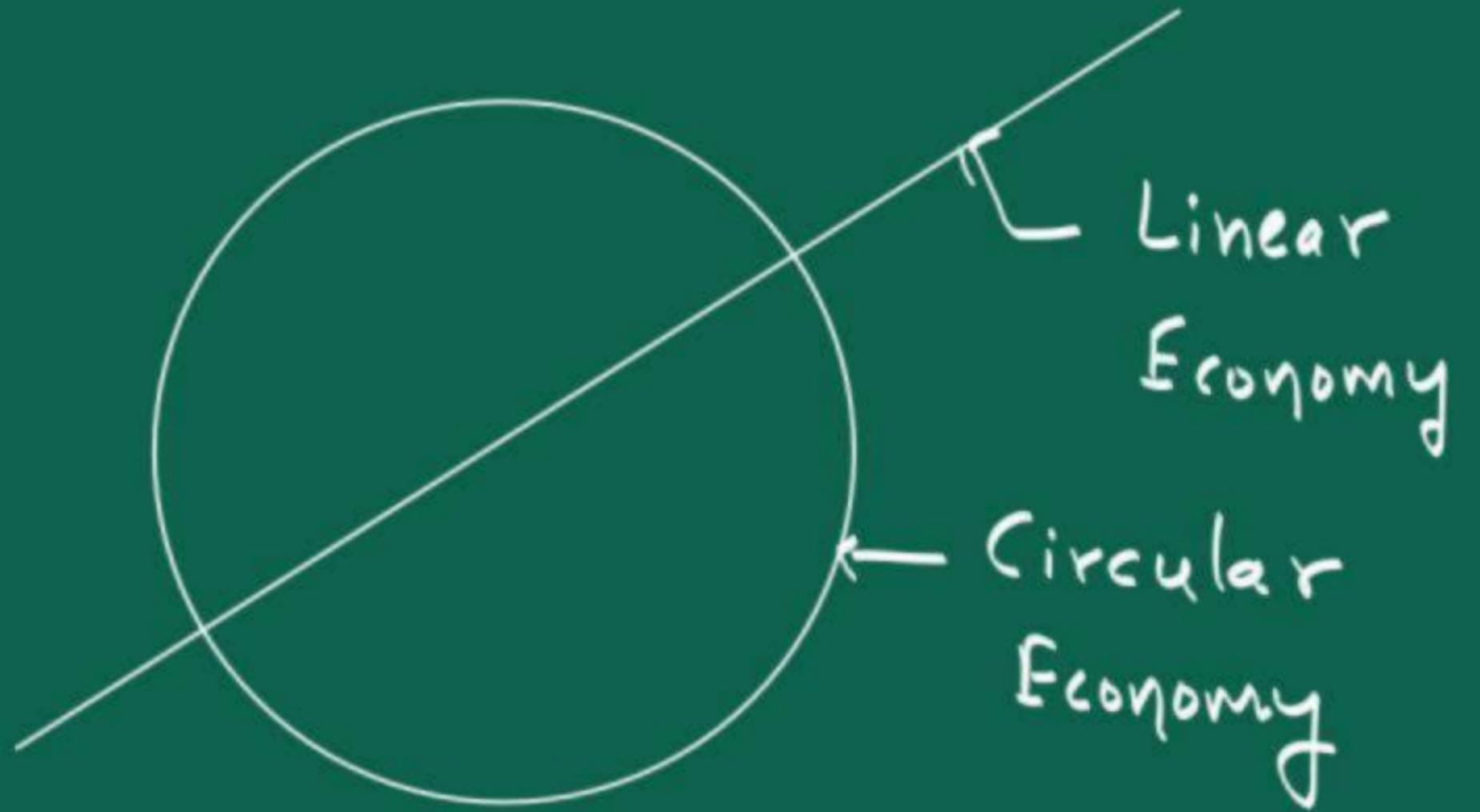
Linear Economy

An economy based on -

- ↳ Take
- ↳ Make
&
- ↳ Dispose

In this case, resources are not used in an appropriate manner.

Diagram -



GFCF = Gross Fixed Capital
Formation



The accumulation of fixed

assets which are critical for higher economic growth because they help in improvement in productivity.

Examples : Source- SNA,
2008

- (i) Dwellings, other buildings & Structures.
- (ii) Machines & equipments.
- (iii) Cultivated biological resources like livestock etc.
- (iv) Intellectual Property Products like software etc.
- (v) Defence Weapon System.

Note -

Out of the above,
dwellings is the largest
contributor in India's GFCF.

↓
2nd → Machines
&
Equipments

ICOR

Incremental Capital — Output Ratio

$$\frac{\Delta C}{\Delta y} \left\{ \frac{164}{41} \right.$$

Here,

ΔC = Change in Capital

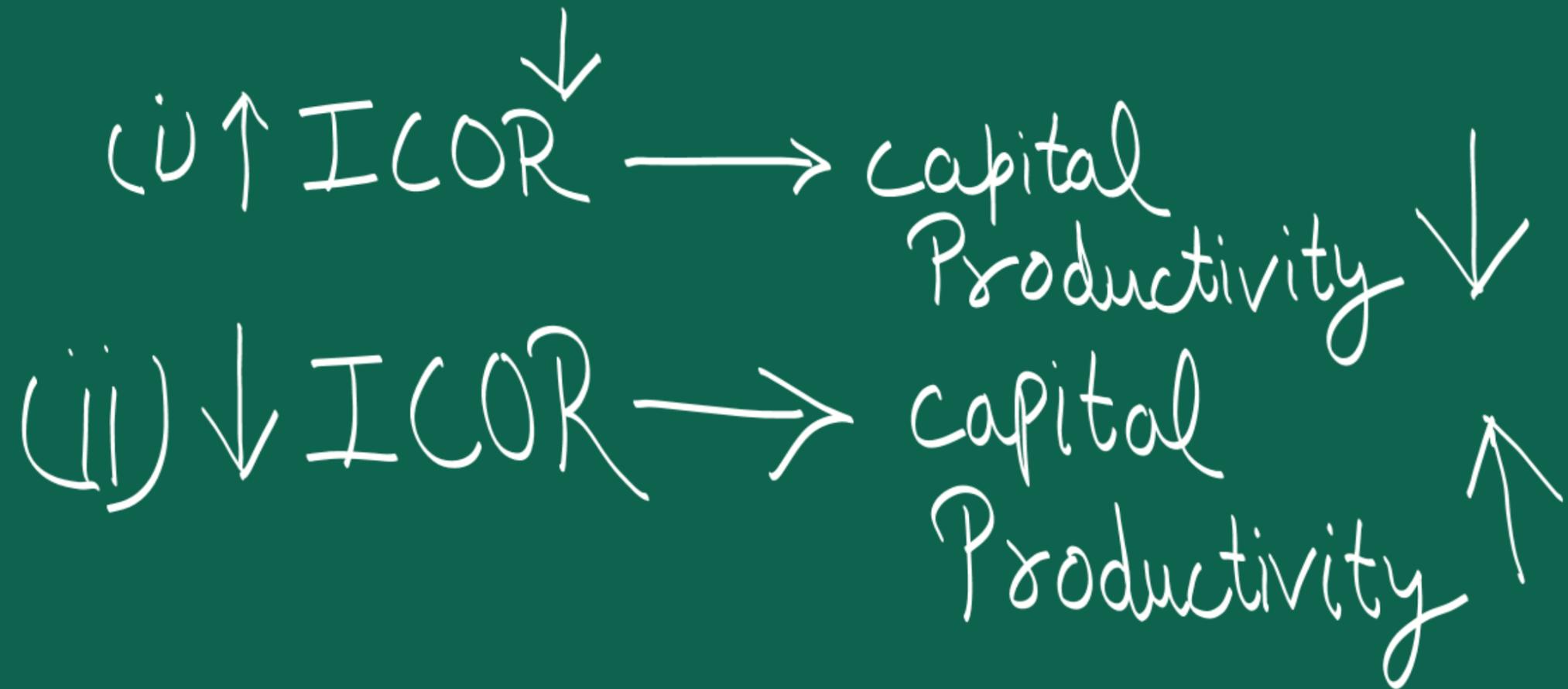
Δy = Change in GDP

In a case, if this ratio is 4:1, then, it can be said that four units of capital can produce one unit of GDP.

From the above, it can also be said that the productivity of one capital unit is $(\frac{1}{4})$ unit of GDP.

↓
It can be said that -

The higher this ratio is lower will be the capital productivity & vice versa.



2011-12

↓

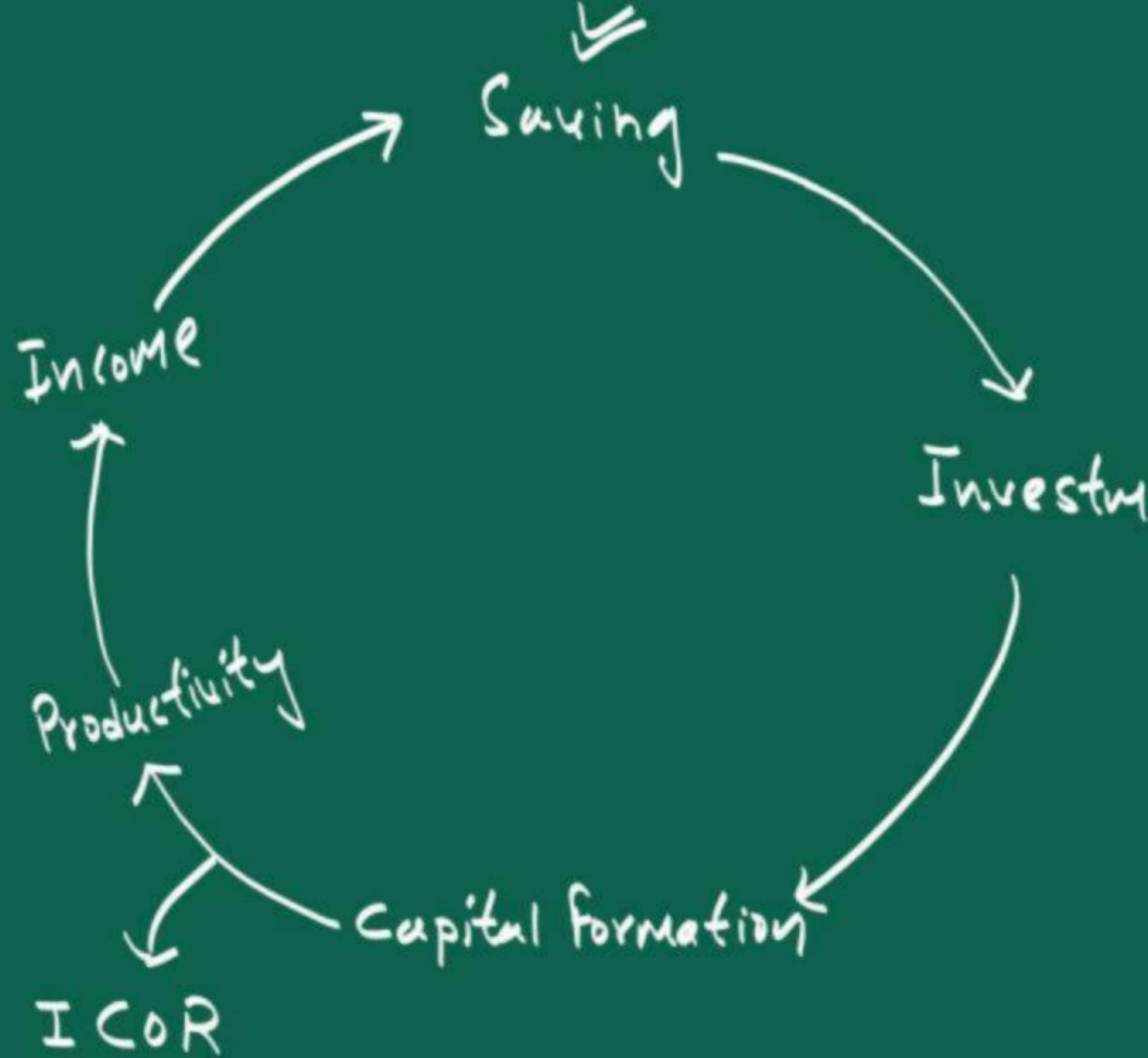
7.5 : 1

3.5 : 1

Role of Saving & Investment
in an economy -

Diagram





Human Capital Formation



Expenditure on health, education, training, skill development etc. of the people so that their productivity as human resources can be increased.

Social Capital



Interaction, unity, relatedness
etc. among the people. ^{or connectivity}

Many a times social capital leads to increase productivity of business organisation.

No Economic factors

of

Eco. Development

