x = 20000-14000

x = 6000

4. What is the main criterion used by the World Bank in classifying different countries? What are the limitations of this criterion, if any?

Answer: World Bank uses the per capita income to classify different countries. The per capita income is calculated by dividing the total income of the country by the population of the country. For the year 2017, the countries with a per capita income of US $12,056 per annum were declared rich countries, and the countries with a per capita income of US $ 955 or less are called low-income countries.

The limitations of the criterion are

1. Other important factors, including literacy rate, infant mortality rate and healthcare, are ignored while classifying the countries.
2. Information about the unequal distribution of income is not mentioned by the World Bank
3. The economy of the country cannot determine the development of the country.

5. In what respects is the criterion used by the UNDP for measuring development different from the one used by the World Bank?

Answer: The criterion used by UNDP is different from the one used by the World Bank because UNDP compares countries based on the educational level of the people, their health status and per capita income. This is in contrast with the method used by the World Bank because it only calculates the per capita income for measuring development.6. Why do we use averages? Are there any limitations to their use? Illustrate with your own examples related to development.

Answer: Different countries have different populations, so calculating the average helps in getting an estimated answer which can be used to compare different things at different levels. There are limitations in calculating averages because we cannot know the difference in the income of the people and the unfair distribution of income in a country or state.

For example, if we calculate the per capita income of two countries, A and B, with 5 people each, the salary of five people in country A is Rs.23,000, Rs.22,000, Rs.23,500, Rs.28,000 and Rs.25,000, and the income of people living in country B is Rs.1,50,000, Rs. 22,000, Rs.50,000, Rs.4,000, Rs.2,500. The average income of country A will be Rs.24,300, and that of country B will be