

GDP And Welfare - Very Short (Reason-Based)

Q.1. Welfare of the people in an economy is measured in terms of the availability of average income per person.

Ans. False. Welfare of the people is measured in terms of the availability of goods and services per person.

Q.2. With every increase in the level of GDP, social welfare definitely increases in the economy.

Ans. False. If increase in the level of GDP is associated with higher level of income inequality, social welfare may not increase.