

## **GDP And Welfare - Very Short - Info & Con**

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**Q.1. How are GDP and welfare related to each other?**

**Ans.** Other things remaining constant, higher GDP implies higher welfare. So that there is a positive relationship between GDP and welfare.

**Q.2. Define externalities.**

**Ans.** Externalities refer to positive and negative impact of an economic activity on the others without involving any price or penalty.