

GLOSSARY OF MAIN TERMS

Item	Concept/definition in use
Accounting year	Fiscal year beginning 1st April
Accounts of the Nation	Four accounts relating respectively to production, consumption, accumulation and external transactions.
Accumulation	Acquisition of fixed assets, stocks of non-durable goods, land, financial assets, patents, copy-rights and other intangible assets during a period of account less the incurrence of liabilities. This is gross accumulation. Net accumulation is gross accumulation during a period of account reduced by the consumption of fixed capital during the period.
Assets	Machinery, equipment, furniture, buildings and other durable reproducible goods, stocks of non-durable goods, land, monuments and other non-reproducible tangible assets, copy-rights, leases, financial claims on other parties and other intangible assets.
Assets, fixed	Durable goods except land, mineral deposits, timber tracts and similar, fisheries and the like, non-reproducible tangible assets, employed in production by resident industries, producers of government services for civilian purposes, and producers of private non-profit services to households including owner dwellings, permanent family dwellings for military personnel, breeding stock, draught animals and dairy cattle.
Assets, tangible	Fixed assets, stocks of non-durable goods, land, mineral deposits, timber tracts, fisheries and the like
Assets or liabilities, financial	Gold, currency and other claims on (obligations of) other parties owned by an economic agent; or the claims on (obligations of) an economic agent owned by other parties.
Balance of payment	A record of economic transactions on current account between the residents of India and the rest of the world, involving the export and import of goods, rendering of services and exchange of gifts. The capital account shows the implications of the current transactions for the country's international creditor/debtor position. Capital movements reflect changes in the ownership of capital assets between residents and foreigners.
Balance of payments, valuation used for	Valuation basis is f.o.b. at the custom frontier of the exporting country for exports and c.i.f. at the customs frontier of the importing country for imports. f.o.b. value: The value in the market at the customs frontier of a country of her exports of merchandise and other goods including all costs of transporting the goods to the custom frontier, export duties and the cost of loading the goods on the carrier unless the latter cost is borne by the carrier. c.i.f. value: The value in the market at the custom frontier of a country of her imports of merchandise, other goods, etc. including all charges for transporting and insuring the goods from the country of export and the given country but excluding the cost of unloading

	from ship, aircraft, etc., unless it is borne by the carrier.
Item	Concept/definition in use
Balance Sheet	Account showing the assets, liabilities and net worth of an institutional unit, or class of such units, as of a given date.
Capital finance account	Account relating to the capital transactions i.e., accumulation of assets and its financing by the resident institutional units.
Capital formation, gross and net	Gross capital formation includes gross fixed capital formation and change in stocks. Net capital formation is gross capital formation less consumption of fixed capital.
Capital formation Accounts	Accounts for accumulation are divided into two sets: those relating to capital formation and those relating to capital finance. The first set i.e. capital formation accounts are further divided between stock-building (increase in stocks) and fixed capital formation. The capital formation accounts refer to expenditure on tangible assets other than land, mineral rights, and the like and in all cases these are accounts for activities.
Capital formation, domestic	Domestic capital formation is with reference to the activities of all the producers (including households) in the domestic territory of the country. Fixed capital formation consists of the acquisition of fixed assets by resident industries and the producers of government services and of private non-profit services to households and occurs only on the domestic territory of the given country. Also includes acquisition of new residential buildings by households within domestic territory.
Capital formation, fixed	Gross fixed capital formation consists of the outlays (purchases and own account production) of industries, producers of government services and producers of private non-profit services to households, on addition of commodities to their stocks of fixed assets less their net sales (i.e. sales minus purchases) of similar second-hand and scrapped goods. Excluded are the outlays of government services on durable goods for military use. Included are acquisitions of reproducible and non-reproducible durable goods (except land, mineral deposits, timber tracts, fisheries and the like) for civilian use, work-in-progress on construction projects; capital repairs, outlays on the improvement of land and on the development and extension of timber tracts, plantations, vineyards, etc., which take considerably more than a year to become productive; the acquisition of breeding stock, draught animals dairy cattle and the like, and the transfer costs in connection with purchases and sales of land, mineral deposits, timber tracts etc. Similar outlays by households on residential construction are also included. Net fixed capital formation is Gross Fixed capital formation less consumption of fixed capital.
Capital formation, fixed, own account	Value (including imputed cost) of own account construction of structures, minor irrigation works, roads and similar works etc., and items of machinery and equipment which have an expected life time of use of one year or more produced for own use by enterprises,

	producers of government services and non profit institution survey households
Item	Concept/definition in use
Capital formation, household	Acquisition of new capital and household increase in stock of producer households and acquisition of new residential buildings by households (final consumers). Household sector is defined to comprise, apart from individuals, all non-government non-corporate enterprises like farm and non-farm business, unincorporated establishments like sole proprietor-ship and partnership and non-profit institutions like charitable trusts, religious endowments, educational institutions etc.
Capital formation, , by type of capital goods	Comprises gross domestic capital fixed formation under following categories: (i) new assets a. buildings b. roads & bridges c. other construction & works d. transport equipment, including transport animals e. machinery and other equipment, including stock, dairy and the like. (ii) net purchase of second-hand physical assets.
Capital expenditure	Expenditure for new capital equipment and structures including expenditure which extend the normal life of the asset or raise its productivity are included in capital expenditure. Thus major alterations, renovations and rebuilding are capital expenditure. Routine care such as oiling, adjusting, cleaning and the replacement of short-lived parts are current expenditure.
Capital gain or loss	Increases or decreases in the value of the assets of institutional and other units which are due to changes in market prices, discovery of new mineral deposits and other natural resources, depletion of mineral deposits, unforeseen obsolescence, theft, major catastrophes and other events except the purchase and sale of assets, the normal wear and tear, accidental damage and losses in tangible assets, the writing off of bad debts and other flows which are recorded in the transaction accounts
Capital goods	All goods produced for use in future productive processes i.e., machinery, equipment, plants, buildings, other construction and works, which have an expected life time of considerably more than a year, and producers' stocks of raw materials, semi-finished and finished goods.
Capital repairs	Major alterations in, or additions to, machinery, equipment, structures or other fixed assets which significantly extend their expected life-time of use, productivity, or the character or volume of the services they render.
Capital stocks	Stocks mainly of buildings, plant, machinery and vehicles and other reproducible tangible assets available in different activities. Excluded generally are stocks of goods, and capital invested in land,

	non-reproducible assets, financial assets and non-financial intangible assets.
Item	Concept/definition in use
Capital transaction account	Standard account relating to the transactions of the nation with the rest of the world in respect of financial assets and liabilities, purchases less sales of intangible assets and other sources of the finance of gross accumulation
Capital transfers	Unrequired transfers which are designed to finance the gross capital formation, other forms of accumulation, or long-term expenditure of the recipient, which are made out of the wealth or saving of the donor, or which are non-recurrent (quite irregular) for either party to the transaction.
Capital fixed, consumption of	Current replacement cost of the reproducible fixed assets of the producers of government administrative services used up during a period of account as a result of normal wear and tear, foreseen obsolescence and the normal rate of accidental damage. Unforeseen obsolescence catastrophes and the depletion of natural resources are not taken into account. Measurement is at current replacement cost basis.
Commodity-flow approach	Commodity-flow approach starts with estimates of the supply of commodities expressed in producers' values and proceeds to estimate dispositions expressed in purchasers' values by adding trade and transport margins and similar other expenditures.
Compensation of employees	All payments by resident producers of wages and salaries to their employees, in cash and in kind, and of contributions, paid or imputed, in respect of their employees to social security schemes and to private pension, family allowance, casualty insurance, life insurance and similar schemes.
Consumer durables	Goods acquired by households which have an expected life-time considerably more than one year and a relatively high value, such as motor cars, refrigerators and washing machines. Dwellings are excluded since they are classed as the fixed assets.
Current repairs and maintenance	Outlays which make good breakages in fixed assets and keep them in good working order. Includes outlays on new parts and attachments of fixed assets which have an expected life of use of one year or some what more but which are short-lived relative to the fixed asset itself, or of relatively small value.
Current transactions account	Standard account relating to the transactions of the nation with the rest of the world in respect of current receipts and disbursements.
Current transfers	Transfers of income between transactors. The transfers made from the current income of the payer and added to the current income of the recipient for such purposes as consumption expenditure.
Disposable income, national	Income of the nation, institutional units etc. from all sources after deduction of all current transfers paid. It is equivalent to the national income at market prices adjusted for all current transfers (other than property and entrepreneurial income received which is a part of

	national income.
Disposable income, personal	Personal income minus miscellaneous receipts of government administrative departments and direct taxes paid by the household

Item	Concept/definition in use
Disposable income and its appropriation account	Standard consolidated income and outlay account for the nation.
Domestic production	If the production of all domestic producers are consolidated, the resulting total will measure the production taking place in what is called the domestic territory of the country and defined as domestic production.
Gross domestic product at factor cost	i) The gross output of all commodities, industries etc. evaluated at factor cost less the purchaser's value of intermediate inputs. Also equals: The gross expenditure on the final uses of domestic supply of goods and services valued at purchaser's prices less import of goods and services valued c.i.f. less indirect taxes net of subsidies. Also equals: The sum of compensation of employees, mixed income of self-employed, operating surplus of other resident producer's, consumption of fixed capital net of subsidies paid by resident producers.
GDP at market prices	Gross domestic product at factor cost plus indirect taxes minus subsidies
Domestic product, net	Gross domestic product less consumption of fixed capital
Domestic product and expenditure account	Standard consolidated production, consumption, expenditure and capital formation account for the nation.
Domestic territory	In addition to the territory lying within the political frontiers including territorial waters of a country, (excluding her overseas territories and possessions) includes, (i) ships and aircraft operated by residents of the country entirely or primarily, between two or more countries; (ii) fishing vessels, oil and natural gas rigs, and floating platforms operated by residents of the country wholly or mainly, in international waters or engaged in extraction in areas in which the country has the exclusive right of exploitation by virtue of international agreements or pronouncements and (iii) the embassies, consulates and military establishments of the country located abroad.
Enterprise	Ultimate unit in institutional classification.
Enterprise of a country, resident	Units which are engaged in production and in transactions in land on the domestic territory of a given country.
Enterprises, corporate	Corporations, joint stock companies, cooperatives, limited liability partnerships and other financial and non-financial enterprises which by virtue of legislation, administrative regulations or registration, are recognised as business entities independent of their owners.
Enterprises, financial	Enterprises which are primarily engaged in financial transactions in the market, consisting of both incurring liabilities and acquiring financial assets.
Enterprises, non-	Organised and unorganised enterprises mainly engaged in activities

financial	other than providing financial and insurance services.
Enterprises organized	All enterprises which are either registered or come under the purview of any of the Acts and/or maintain annual accounts and balance-sheets.
Item	Concept/definition in use
Enterprises, unorganized	All unincorporated enterprises and households industries other than the organised ones which are not regulated by any of the Acts and which do not maintain annual accounts and balance-sheets.
Enterprises, private	Enterprises in which private parties own all, or a majority of the shares, other capital participation or equity and which private parties control
Enterprises, public	Consists of Departmental and non-departmental public sector enterprises.
Enterprises, public, departmental	Enterprises owned and controlled by the public authorities, which are mainly engaged in furnishing the kind of goods and services which are often produced by business establishments but do not hold or manage financial assets and liabilities apart from their working balances and business accounts, payable and receivable. Examples are activities relating to government. railways, posts and telegraphs, overseas communications service, minor irrigation, multipurpose river projects, irrigation, navigation and drainage projects, electricity schemes, forest, government distilleries and factories, ordnance factories, public works work-shops, government presses, road and water transport services, tourist transport services, tourist accommodation, commercial broadcasting services, milk supply schemes and port trust.
Enterprises, public, non-departmental	Comprise government companies registered under Companies Act 1956 and having 51 per cent or more share of government and public corporations set up in the Central/State Government Act wholly, or mainly, owned and/or controlled by the public authorities excluding housing boards, municipal corporations and improvement trusts
Establishment	Ultimate unit in industrial classification
Exports of goods and services	All transfers of the ownership of goods from residents of a country to non-residents and services provided by residents producers of the country to non-residents are to be covered. In practice, the exports of goods may consist of the outward movement of merchandise across the customs frontier of a country and of other goods across the boundaries of her domestic territory, including the direct purchases in the country of extra-territorial organisations and non-resident persons. Since the imports of merchandise into a country are to be valued at c.i.f., the exports of services of the country should also include the charges in respect of the imports for the transport and insurance services provided by resident producers of the given country.
External Transactions Accounts	Accounts setting out the current and capital transactions of the nation with the rest of the world.

Item	Concept/definition in use
Factor cost, Gross output	The value of the gross output of producer's measured in producer's values i.e. in the market price of the unit less the indirect taxes, net, in respect of the commodities, industries, etc., or the sum of the primary inputs and the purchasers' value of the intermediate inputs.
Factor cost, Gross value added	The gross output of the industries valued at factor cost less the purchasers' value of intermediate inputs into the industries.
Factor incomes	Compensation of employees, mixed income of self-employed and operating surplus of producers.
Final consumption expenditure accounts	Accounts relating to the final consumption of goods and services by resident households, government services and private non-profit services to households.
Final consumption expenditure of government services	The value of gross output is equal to the sum of the value of intermediate consumption of goods and services, compensation of employees, consumption of fixed capital less sales.
Final consumption expenditure of households in the domestic market	This is equal to final consumption expenditure of household plus direct purchases in the domestic market by non-resident households and extra-territorial bodies minus direct purchases abroad by resident households
Final consumption expenditure, private	Value of final expenditure of households and private non-profit institutions on current goods and services less sales of second hand and scrapped goods including imputed value of own account production and expenditure on consumer durable. It includes final consumption expenditure of non-residents on goods including all costs in the domestic market but excludes final consumption expenditure of normal residents of the country abroad.
Final consumption expenditure of private non-profit house-holds	Value of goods and services produced for own use on current account that is the value of their gross output services to reduced by the sum of the value of their commodity and non-commodity sales. The value of their gross output is equal to the sum of the value of their intermediate consumption of goods and services, compensation of employees, consumption of fixed capital and indirect taxes.
Final use of goods and services	Disposition of goods and services to final consumption expenditure, gross fixed capital formation, increase in stocks and exports.
Government, administrative departments	All departments, offices, organisations and other bodies which are agencies or instruments of the central, State or local public authorities, whether accounted for, or financed in, ordinary or extra-ordinary budgets or extra budgetary funds. Included are all social security arrangements for large sections of the population imposed, controlled or financed by a government. Excluded are government departmental and non-departmental enterprises and public corporations.
Government enterprises	Same as public departmental enterprises

Item	Concept/definition in use
Government services, producers' of	Producers of government services furnish but normally do not sell, to the community those common services which otherwise cannot be conveniently and economically provided, and administer the State and the economic and social policy of the community. Also included are defence and external affairs.
Gross output of industries	In general, the value of all the goods and services (commodities) produced during the period of account including net increase in work-in-progress and products for use on own account. Valuation is usually at producers' values, that is the market value at the establishment of the producers or at approximate basic values, that is producers' values less the relevant commodity taxes, net. The gross output is equivalent to the gross margins, that is, the differences between sale and purchase values of the goods sold, in the case of the distributive trades, the insurance service charge in the case of casualty and life insurance; and the sum of the actual and imputed service charges in the case of banks and similar financial institutions.
Imports of goods and services	In concept, all transfers of the ownership of goods from non-residents of a country to residents and services provided by non-resident producers to residents of the country. In practice, the imports of goods may consist of the inward movement of merchandise across the customs frontier of a country and of other goods across the boundaries or her domestic territory, including the direct purchases of the government services and residents of the country abroad. Since, imports of merchandise are valued c.i.f., imports also include the charges of resident producers for transport and insurance services in respect of these imports.
Income, forms of	Various forms of income are: wages and salaries, employees contributions to social security, pension and similar schemes, entrepreneurial income, mixed income of self-employed, operating surplus, property income; direct taxes on income, social security contribution, current transfers by enterprises, social security benefits, social contributions, current transfers by enterprises, social assistance grants, other current transfers by government, current transfers by households, current transfers by the rest of the world
Income and outlay accounts	Accounts showing the receipt and disbursement of incomes by resident institutional units.
Income approach	Income approach for measuring the gross domestic product is to take the sum of the factor incomes accruing from production i.e. the provision for consumption of fixed assets, compensation of employees, mixed income of the self-employed, operating surplus and the excess of indirect taxes over subsidies.
Income, from property	Actual and imputed transfers of property incomes accruing from ownership of physical and financial assets, agriculture and other land, patents, copyright, concessions and similar intangible assets. Includes net rent on buildings in the case of all enterprises other than the government administrative departments.

Item	Concept/definition in use
Income, private	Factor incomes and transfers accruing to the private sector, from all sources. Includes current transfer payments from public authorities and rest of the world
Income, personal	Private income minus savings of private corporate sector net of retained earnings of foreign companies minus corporation tax.
Interest	Interest comprises (actual and imputed) property incomes in respect of such financial claims as banks and other deposits, bills, bonds, promissory notes and other loans, accounts receivable and payable, trade advances and consumers debts and household equity in life insurance reserves and pension funds.
Interest on public debt	Interest on debt owned by the administrative departments of the central, state and local governments.
Intermediate consumption of industries	Covers non-durable goods and services (commodities) used up in production, including repair and maintenance of capital stock (excluding rent paid on buildings), research, development and prospecting. Excludes consumption of fixed capital and rent paid.
Intermediate	Acquisition (purchases and transfers in kind) consumption of new goods and services on current account producers' of less net sales of similar second-hand goods government services and scraps and wastes therefrom including durable goods acquired primarily for military purposes.
Intermediate	Acquisition (purchase and transfers in kind) of consumption of new non-durable goods and services less net producers' of sales of similar second-hand goods and scraps private non-profit and wastes therefrom. Excluded are second-services to house-hand goods received or distribution to holds household without renovation or alteration.
Mixed income of self-employed	This consists of wage income of own account workers and profits and dividends of unincorporated enterprises. This form of income has been specifically defined for India as the breakdown of two components viz., income of own account workers and profits etc., is not available separately.
National accounts, system of	It is an accounting system setting out clearly and concisely a frame-work within which the statistical information needed to analyse the economic process in all its many aspects could be organised and related.
National income	Net domestic product at factor cost plus net factor income from abroad represents the national income of the country.
National product at factor cost gross/net	Value of factor cost of the product, attributable to the factors of production supplied by the normal residents of the country. It is equal to gross domestic product at factor cost plus net factor income from abroad.
National product at market prices	National product at factor cost plus indirect taxes reduced by subsidies

Item	Concept/definition in use
Net factor income from abroad	Income attributable to factor services rendered by the normal residents of the country to the rest of the world less factor services rendered to them by the rest of the world. It also includes retained earnings of foreign controlled rupee companies and branches of foreign companies in the domestic territory. Residents include both individuals and institutions. Tourists or commercial travellers of a given country travelling abroad are treated as residents of the given country. The official diplomatic and consular representatives of a given country, including members of official missions and members of armed forces stationed abroad are to be considered extra territorial by the country in which they are located and residents of the given country. The factor incomes generated by such residents are domestic product of resident country. Factor incomes of locally recruited staff of foreign diplomatic military establishments are included in factor income from abroad.
Operating surplus	Gross output at producers' values less the sum of intermediate consumption, compensation of employees (including labour income of self-employed), consumption of fixed capital and indirect taxes reduced by subsidies.
Private sector	All organised and unorganised enterprises excluding those under public sector
Producers	Industries, producers of government services, producers of non-profit services to households and domestic services rendered by one household to another.
Production accounts	Commodity and activity accounts. For commodity: Accounts relating to the total supply of commodities from domestic production and imports and their disposition to intermediate and final uses. For activity: Accounts of industries, producers of government services, producers of private non-profit services to households, and the domestic services to households, in respect of their gross output of goods and services and their intermediate consumption, primary inputs and indirect taxes less subsidies.
Public corporations	Corporations wholly, or mainly owned and/or controlled by the public authorities. (All public financial institutions are treated as corporations).
Public sector	Comprises government administrative departments, departmental and non-departmental enterprises
Rent	Factor income generated by the letting and use of land for agricultural and other purposes, building/residential and non/residential. It is treated as income from property
Rest of the world, transactions with	Transactions with the rest of the world calls for detailed classification of exports and imports of goods and services, of factor incomes and of transactions in financial claims.
Saving	The difference between the current receipts and the current disbursements; the balancing item on the income and outlay account.

Item	Concept/definition in use
Saving, household	This is sum of increase in the financial assets and of physical assets of household sector (for coverage of household sector see capital formation, household).
Saving, household physical assets	Saving of households in the form of physical assets comprising investment in construction including land improvements, machinery and equipment and inventories.
Stocks	Stocks consist largely of the materials and supplied, work-in-progress except in construction projects and finished products and goods in the possession of industries. Standing timber and crops are excluded from stocks, but livestock raised for slaughter, logs and harvested crops are included. Producers of government services may also engage in transactions in stocks. These transactions relate primarily to stocks of strategic materials, grains and other commodities of special importance to the nation, and to the sales of large lots of surplus goods
Stocks, change in	Difference between market/book values of the stocks at the beginning and end of the period
Subsidies	All grants on current account made by government to private industries and public corporations, and grants made by the public authorities to enterprises in compensation for operating losses when these losses are clearly the consequence of the policy of the government to maintain prices at a level below costs of production. In the case of irrigation schemes, operating loss is classified as subsidy.
Surplus of the nation on current transactions	Excess of receipts on current account over disbursements on current account in respect of the transactions of a country with the rest of the world.
Taxes, corporate	Direct taxes on corporations and co-operatives which are levied at regular intervals on the profits, capital or net worths of these enterprises. Corporate income and excess profits, taxes, taxes on undistributed profits or on capital stocks are included here. Capital levies and similar non-recurrent payments should be treated as capital transfers and not as charges against current profits.
Taxes, direct	Direct taxes are the levies by public authorities at regular intervals, except social security contributions, on income from employment, property, capital gains or any other source and on the financial assets and the net or total worth of enterprises, private non-profit institutions and households; and on the possession, or use, of goods by individuals and households
Taxes, indirect	Taxes assessed on producers in respect of the production, sale, purchase or use of goods and services which they charge to the expenses of production. Also included are import duties.
Trade, credit and advances	Credit extended in respect of sale/purchase of goods and services, and advances for the production of goods and services in progress or to be undertaken

Item	Concept/definition in use
Value added of gross	Gross output at producers' valueless industries, intermediate inputs at purchasers' value.
Wages and salaries in kind	Goods and services acquired or produced by industries, producers of government services and producers of private non-profit services to households which are provided to their employees free of charge, or at markedly reduced cost, and are of clear and direct benefit to the employees.