01 CORE COUNT

- one financial year: 1 Apr → 31 Mar
- money value of final goods + services produced
- final good = last use
- intermediate good = used up in further production
- count final output / value added → avoid duplication

paddy ₹100 → rice ₹150

✗ do not add ₹100 + ₹150
(intermediate + final = double counting)

02 DECODE THE FOUR LETTERS

Domestic = inside territory	**National** = residents
relates to place of production (i.e. inside the country's territory)	relates to person (residents of the country), wherever they produce
Gross = before depreciation	**Net** = after depreciation
includes the value of output before allowing for wear + tear of fixed capital	excludes depreciation (i.e. after allowing for wear + tear)

place ≠ person • gross ≠ net

03 GDP

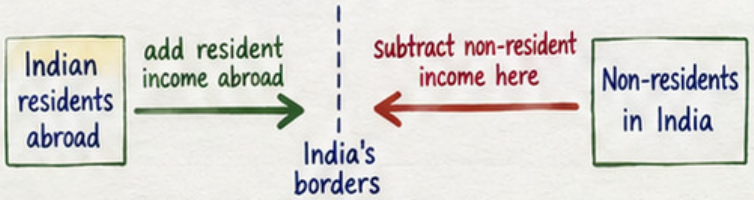
- Gross Domestic Product
- final output produced inside borders
- ownership / nationality irrelevant

example:
foreign-owned car plant in India → India GDP ✓


foreign-owned car plant in India

04 GNP + NFIA BRIDGE

- Gross National Product = residents' production income
- GNP = GDP + NFIA
- NFIA = resident factor income from abroad − non-resident factor income here



05 RESIDENCY TRAPS

Case	Inclusion / Exclusion
Foreign firm's output in India	GDP ✓ (produced inside territory)
Its non-resident income (profits, interest etc.)	Subtract on route to GNP (non-resident income here)
Indian resident's income abroad	GNP ✓ (resident's production income)
NRI settled / working abroad	Non-resident; foreign salary not India GNP
Remittance to India	Transfer receipt; no current output → excluded

passport ≠ residence test

06 DEPRECIATION

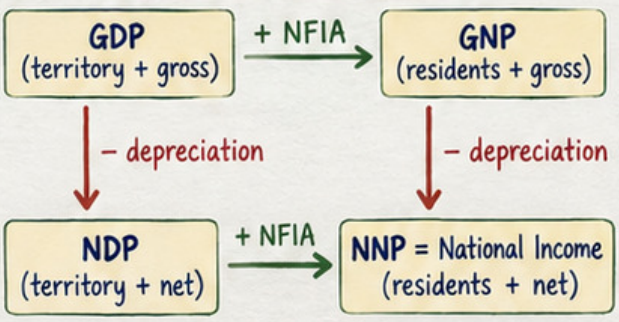
- wear + tear / consumption of fixed capital
- replacement of worn capital ≠ fresh net addition


machine wears out over time (depreciation)

gross output
− wear (depreciation)
= net output

↳ replacing a worn-out machine only maintains existing capacity, not a fresh addition.

07 CONVERSION LADDER



NDP = GDP − depreciation

NNP = GNP − depreciation

08 FOUR-WAY QUICK LOCK

GDP territory + gross (inside borders • before depreciation)	**GNP** residents + gross (residents' production income • before depreciation)
NDP territory + net (inside borders • after depreciation)	**NNP** residents + net (residents' production income • after depreciation)

bloom. APPSC | NOMINAL ↔ REAL • DEFLATOR • PER CAPITA

01 PRICE-QUANTITY GRID

- Nominal GDP/GSDP = current prices
  = quantity + price change
- Real GDP/GSDP = constant base-year prices
  = quantity change only

Item	Year 1 (price = P)	Year 2 (price = 2P)	
Paddy (quantity 100) 	100 × P = 100P	100 × 2P = 200P	Nominal ↑ (doubles) Real unchanged
Car (quantity 10) 	10 × P = 10P	10 × 2P = 20P	Nominal ↑ (doubles) Real unchanged

real growth strips price illusion

02 BASE YEAR

- freeze one year's prices for comparison
- Bloom source base: 2011-12 = 100
- constant-price series → comparable physical-output growth

03 GDP DEFLATOR

- GDP deflator = Nominal GDP ÷ Real GDP × 100
- economy-wide output-price gauge
- covers domestically produced goods + services

Nominal ÷ Real → price component

04 AP WORKED SNAPSHOT • 2024-25 FAE

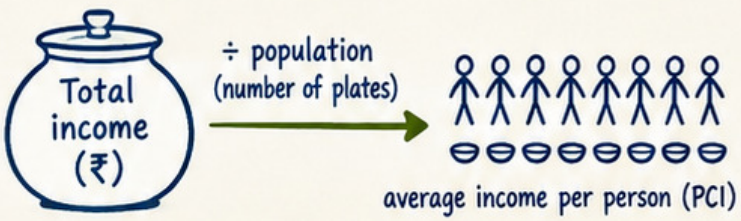
- current-price GSDP: ₹16.06 lakh cr
  ↳ nominal growth 12.94%
- constant 2011-12-price GSDP: ₹8.73 lakh cr
  ↳ real growth 9.24%
- GDP deflator = 16.06 ÷ 8.73 × 100 ≈ 184
- reading: price level of AP output ≈ 84% above 2011-12 base

dated Bloom illustration • FAE, not final

05 PER CAPITA INCOME

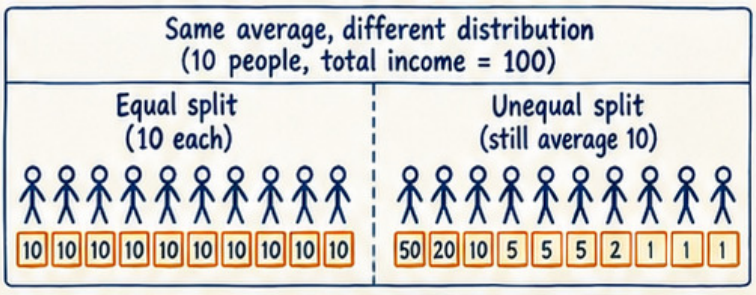
- PCI = income ÷ population
- total pot → number of plates
- if income growth 9%, population growth 1% → PCI growth roughly 8%
- better average-person lens than total GSDP

$$\text{PCI} = \frac{\text{Total income}}{\text{Population}}$$



06 AVERAGE LIMIT

- equal split and unequal split can show same average
- PCI silent on distribution
- total/average growth ≠ proof every household gained



Total/average growth ≠ proof every household gained

07 RAPID CONTRAST

CURRENT / NOMINAL	CONSTANT / REAL
• today's prices • quantity + prices (shows both real growth and price change)	• base-year prices • quantity only (strips out price change)

nominal growth > real growth → price component present

bloom. APPSC | 3 METHODS • VALUE ADDED • GVA → GDP

01 PRODUCT / VALUE-ADDED METHOD

- sum value added by producing units / sectors
- value added = output value − intermediate inputs
- avoids double counting

Worked chain (paddy → rice)

Farmer (paddy)	Mill (rice)
output value ₹100	output value ₹150
intermediate inputs ₹0	intermediate inputs ₹100 (paddy)
VA = ₹100	VA = ₹50

Farmer VA ₹100 + Mill VA ₹50 = Final value ₹150

not ₹250 (avoids double counting)

GVA = Gross Value Added

02 INCOME METHOD

- sum factor incomes

land	→ rent (R)
labour	→ wages (W)
capital	→ interest (I)
entrepreneur	→ profit (P)

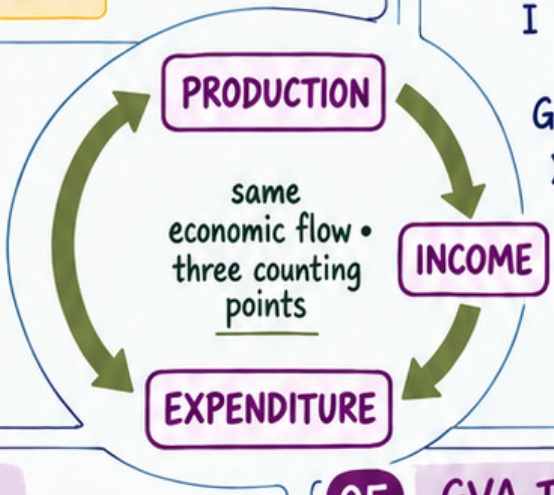
NI view = R + W + I + P

03 EXPENDITURE METHOD

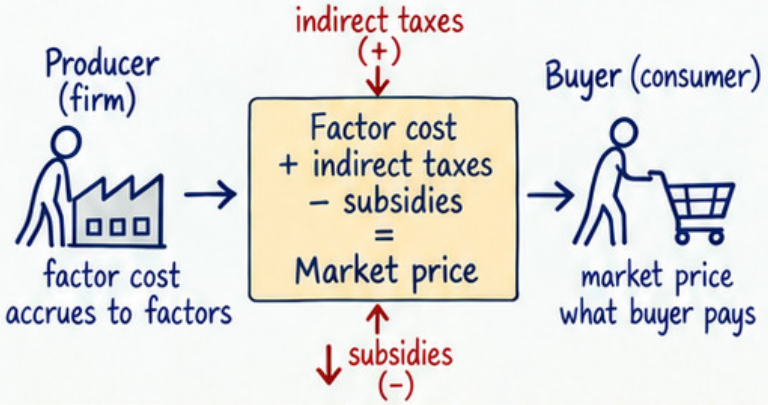
GDP = C + I + G + (X − M)

- C → private consumption (households)
- I → investment / capital formation
- G → government final spending
- X → exports
- M → imports

- subtract imports because they are produced elsewhere



04 PRICE WEDGE



Market price = Factor cost + indirect taxes − subsidies

05 GVA TO GDP

- sectors reported as GVA at basic prices

GDP at market prices = GVA at basic prices + product taxes − product subsidies

- product taxes → e.g. indirect taxes on products
- product subsidies → e.g. subsidies on products
- basic price and factor cost are related producer-side concepts, not identical labels

06 METHOD CHECK

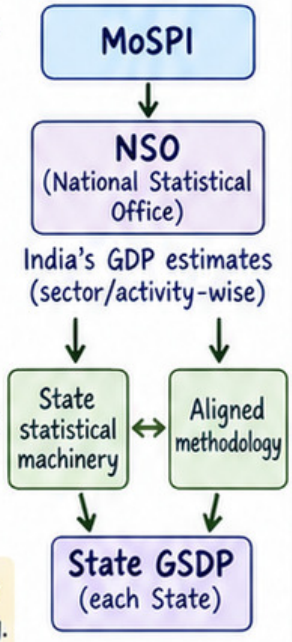
Σ value added ↔ Σ factor incomes ↔ Σ final expenditure

- all should reconcile in principle
- each observes a different point in the same flow

bloom. APPSC | WHO COUNTS • 2015 SHIFT • ESTIMATE LADDER

01 INDIA ↔ STATE MACHINERY

- NSO = National Statistical Office
- under MoSPI
- builds India's GDP estimates, sector/activity-wise
- State statistical machinery → State GSDP
- State aggregates align with national methodology
- national GDP includes State products + centre-only activities (e.g. defence, foreign services) noted in Bloom



Common framework. States estimate their own GSDP, aligned to national methodology.

02 WHY GSDP MATTERS TO ADMINISTRATION

1. Denominator for spending/debt/deficit as % of GSDP → e.g. State's fiscal indicators as % of GSDP
2. Sector GVA → economic strengths/weaknesses → identify key sectors and gaps
3. Per-capita income → average-person lens → compare well-being across States
4. Estimates guide allocation of resources (planning, programmes, support) → evidence for prioritisation
5. Do not equal an exact door-to-door tally → estimates, not a complete headcount of all activity

03 BASE YEAR

- Reference-year prices frozen for real series
- Source lock: 2011-12
- Update base year as economy's structure changes over time



Keeps real growth measurable over time.

04 JANUARY 2015 METHOD SHIFT

BEFORE 2015	FROM JAN 2015
• headline GDP at factor cost	• base year 2011-12 • headline GDP at market prices • sectors as GVA at basic prices

KEY FORMULA

GVA at basic prices + product taxes − product subsidies

= GDP at market prices

05 ESTIMATE REFINEMENT LADDER

FAE	PE	FRE	SRE	TRE
First Advance Estimate	Provisional Estimate	First Revised Estimate	Second Revised Estimate	Third Revised Estimate
before full-year data				

same year • improving data • progressively revised

FAE ≠ final figure

06 DATA-HUMILITY BALANCE

✓ STRENGTH

- methodical estimates
- multiple data sources/methods
- revisions improve accuracy



better data → better estimates

✗ LIMIT

- informal/unregistered activity harder to measure
- newest reading carries greatest revision risk
- estimate deserves use + date/status label



VALUABLE GUIDE, NOT A PERFECT MEASURE

bloom. APPSC | AP GSDP • SECTOR GVA • DATED DASHBOARD

01 AP 2024-25 FAE • GSDP

- at constant 2011-12 prices : ₹8.73 lakh cr
- previous (2023-24) : ₹7.99 lakh cr
- real growth (constant prices) : 9.24%

- at current prices : ₹16.06 lakh cr
- nominal growth (current prices) : 12.94%

→ constant → real output • current → output + prices

02 AP ↔ INDIA • SAME REAL SCALE

AP real growth (2024-25 FAE)	All-India real growth (2024-25)
9.24%	≈ 6.4%

→ comparison valid because both are constant-price readings

→ like-for-like (real) comparison

2024-25 comparison snapshot

03 THREE-SECTOR GVA • CONSTANT 2011-12 PRICES

Sector	GVA (₹ lakh cr)	Real growth (2024-25 FAE)
Agriculture + allied	₹2.32	+10.70%
Industry	₹2.23	+6.58%
Services	₹3.29	+8.53%

→ Services = largest GVA slice

→ Agriculture / allied = fastest growth in this snapshot

→ Agriculture and industry close in absolute size

output share ≠ employment share

04 FORWARD NUMBERS • KEEP SEPARATE

AP Budget 2026-27 projection — projection

- GSDP (at current prices) : ₹19,75,073 cr
- growth (nominal) : ≈ +12%

Swarna Andhra @ 2047 vision — vision target

- per capita income (PCI) : below $3,000 → about $42,000
- GSDP : about $2.4 trillion

These are projection and vision target numbers, never current achieved facts.

05 WHAT GSDP TELLS / HIDES

TELLS ✓

- economy size + momentum
- real output change
- fiscal denominator
- sector contribution

HIDES / LIMITS ✗

- distribution
- unpaid work
- environmental cost
- informal activity measurement difficulty
- household-level gain

06 READING DISCIPLINE

1. always pair number with price basis (constant or current)
2. carry year + estimate status (FAE, Budget, etc.)
3. revised series can change
4. use total GSDP + PCI + sector / jobs / distribution lenses together