

National Development Council(India)

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Class-B.A.Part-III

Thus, what a person, piece of land or capital can earn in the next best alternative use is known as transfer earnings. Thus, according to Mrs. Robinson, “The price which is necessary to retain a given unit of three factors in a certain industry may be called its transfer earning.”

Suppose a piece of land can earn Rs. 100/- when it is used for producing wheat and the same amount if it is used for cotton. There is no extra earning because there are no transfer earnings. If, however, the same piece of land could earn Rs. 60 when put to the use of cotton.

Its transfer earning would be Rs. 40 and the extra gain of Rs. 40 which is surplus could be called Rent. So, according to this theory, we can define rent as a payment of excess of the transfer earnings. In the words of Benham, “In general the excess of what any unit gets over its transfer earnings is of the nature of rent.” In the above example, true rent is Rs. 10 and transfer earning Rs. 40.

Objectives

It has been set up with the following objectives

- 1.to secure cooperation of the states in the execution of the plan
 - 2.to strengthen and mobilize the effort and resources of the nation in support of the Plan
 - 3.to promote common economic policies in all vital spheres and
 - 4.to ensure the balanced and rapid development of all parts of the country
 - 5.to provide social amenities like education,medical care, social services, etc. to the citizens of the country ^[2]
 - 6.to improve in living standard of the people ^[3]
 - 7.to increase in per capita income
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