

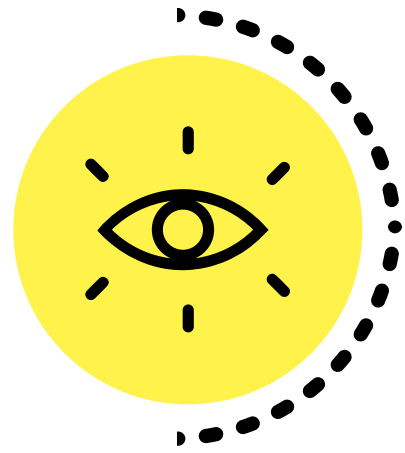


# ECONOMIC PLANNING

1

## IMPERATIVE

- Aka **authoritative planning** by direction or command
- One central authority to decide all aspects of planning
- Generally practiced in **socialist economies**



2

## INDICATIVE

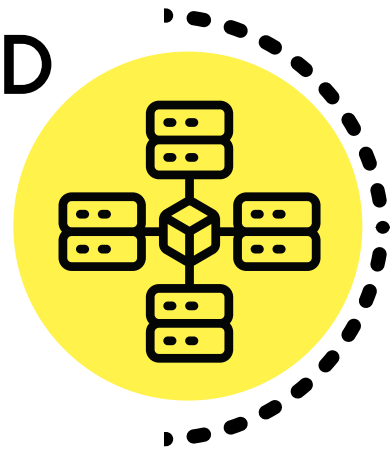
- Aka **inducement planning**
- Government acts as a **facilitator**
- Encourages and Regulates private sector role in the economy
- Generally practiced in **mixed economy**



3

## DECENTRALISED

- Execution of the plan from the **grassroot level**
- Formulated by Centre in accordance with state authorities
- Prices of goods are determined through **market mechanism**.



4

## ROLLING

- Every year three new plans are prepared
- **No fixation** of dates in respect of commencement and end of the plan



5

## CORE

- The planning authority requests the states to submit their projected revenue estimates.
- On the basis of that planning authority **determines** the expenditure for the states annual plans
- Helps to prevent diversion of funds from the priority sectors to the non-planned account.

