Quadrant IV- Assessment (Module- wise)

Programme : Bachelor of Arts (Third Year)

Subject : Geography

Paper Code : GEC 108

Paper Title : Quantitative Techniques in Geography-I

Unit : Descriptive statistics-II (Measures of Dispersion)

Module Name : Relative Measures of Dispersion: Lorenz Curve

Module No : 25

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Quadrant IV Short Answer – II (extended – say 50 to 100 words)

1. **What is the Lorenz curve used for?**
   A Lorenz curve is a graphical representation of income inequality or wealth inequality. The graph plots percentiles of the population on the horizontal axis according to income or wealth.

2. **How is the Lorenz curve interpreted?**
   In a given area A for example, the closer the Lorenz curve is to the line of equality, the smaller area A is, and the Gini coefficient will be low. If there is a high degree of inequality, then area A will be a bigger percentage of the total area.

3. **How do you plot a Lorenz curve?**
   To graph a Lorenz curve, the response variable (usually income or wealth) is first indexed in either equal or increasing order. Then points are graphed for a continuous distribution.