

Problem



UK
\$2.29 trillion



INDIA
\$2.30 trillion

‘India’s economy has overtaken the UK’s for the first time in over a hundred years!’

This was a headline reported by the media in 2016. The following figures were used to show how India’s economy had overtaken the UK’s economy:

Country	GDP	Exchange Rate	Converted to US dollars
UK	£1.88 trillion	\$1 = £0.82	\$2.29 trillion
India	₹153 trillion	\$1 = ₹66.58	\$2.30 trillion

- GDP is the Gross Domestic Product – it is used to determine the economic wealth of a county
- ₹ is the symbol for rupees – the currency of India
- A trillion dollars is 1,000,000,000,000 dollars, or 10^{12} dollars

It is being argued that the report was misleading. The reasons for this are as follows:

1. The report used an exchange rate of \$1 = £0.82. However, the Bank of England’s data shows that the exchange rate at the time was in fact \$1 = £0.8151.
2. The Reserve Bank of India also stated that the exchange rate at the time was \$1 = ₹66.85, and not ₹66.58 as used in the report.



Given the reasons above, do you think that the headline is correct?

Why does the degree of accuracy have such an effect in a situation like this?

