Applications of Area Between Curves

Learning Objectives

- Find and interpret the Gini Index

Find and interpret the Gini Index

1. A country (A) has a Lorenz curve of $L(x) = x^{7/4}$. Find the Gini Index for the country. Round your answer to two decimal places as needed.

2. A second country (B) has a Gini Index of 34. Which country has higher economic inequality compared to country (A) in Problem (1)?

- Gini Index: $G.I. = 200 \int_0^1 x - f(x) dx$

ANSWER KEY

1. 27.27
2. Country B has more income inequality