

## ABSTRACT

Like most other developing nations, India faces many trade-offs in its attempt to reduce poverty and improve the living standard of its people. There is a need for an empirical basis on which to base policy decisions on trade-offs among the many competing priorities of a developing nation, including intra-generational claims- for example, trade-offs between the needs of present and future generations according to the theory of sustainable development. The indices of development which are available, including the current system of national accounts with its primary focus on GDP (gross domestic product) and its growth rate, do not capture many vital aspects of national wealth such as changes in the quality of life, extent of education, and quality and extent of natural resources. The dissertation with its focus on green accounting attempts to construct forest accounts for the state Tamil Nadu for the years 2003-05 and 2005-07. The estimates from the study could facilitate adoption of policy measures to check depletion of valuable natural resources of Tamil Nadu.

