

4.1 National income statistics

Name: _____ Class: _____ Date: _____ Total: 24 marks

KEY WORDS nominal 名义 • real 实际 • national income 国民收入
• national income statistics 国民收入统计 • nominal versus real 名义与实际

Objective

Build the skills to answer exam questions on **national income statistics** 国民收入统计 — **GDP and GNI** 国内生产总值与国民总收入, **nominal versus real** 名义与实际, **per capita** 人均 values, and the uses and limits of national income.

You must be able to:

- define GDP and GNI and distinguish nominal from real
- explain why real GDP per capita is used to compare living standards
- analyse the limitations of national income as a welfare measure

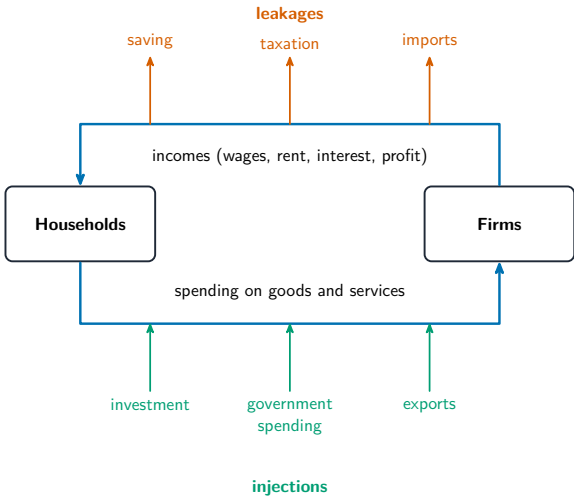
1 Worked examples

■ Measuring the economy



Always compare **real** 实际 values (adjusted for inflation) over time

- **GDP** 国内生产总值: value of all goods/services made **inside** a country in a year.
GNI adds net income from **abroad**.



The circular flow: *output = income = expenditure*, so all three measure the same national income

- **Nominal** 名义 = at current prices; **real** 实际 = adjusted for inflation (the true change).
- **Per capita** 人均 = divided by population (the average per person).
- **Limits:** ignores income **distribution** 分配, unpaid/informal work, pollution and leisure.

Answer shapes: AO1 + AO2 + AO3 (analysis) + AO4 (a supported judgement *in context*).

2 Practice

2.1 Define the term *gross domestic product (GDP)*. [2]

2.2 State the difference between *nominal* and *real* GDP. [2]

2.3 State one limitation of using GDP per capita to measure living standards. [1]

3 Exam-style questions

3.1 To compare living standards over time, the best measure is: [1]

- A

B
- A**
- nominal GDP
-
- C

D
- B**
- real GDP per capita
-
- C**
- total nominal GNI
-
- D**
- the size of the population

3.2 Explain why real GDP per capita is more useful than nominal GDP for comparing living standards over time. [6]

3.3 Discuss whether GDP per capita is a good measure of a country's standard of living. [12]
