2 Measuring the economy - GDP – Part 1 —Answers

Answers

Work through these after you have tried the questions yourself.

2.1 the total market value of all final goods and services produced in a country in a year.
2.2 consumption (C), investment (I), government purchases (G), and net exports (X_n).
2.3 $GDP = 50 + 15 + 20 + 5 = \$90\text{b}$.
2.4 any two of: unpaid housework, the underground economy, leisure, environmental damage, income distribution.
2.5 counting intermediate goods as well would double-count their value, which is already included in the final good's price.