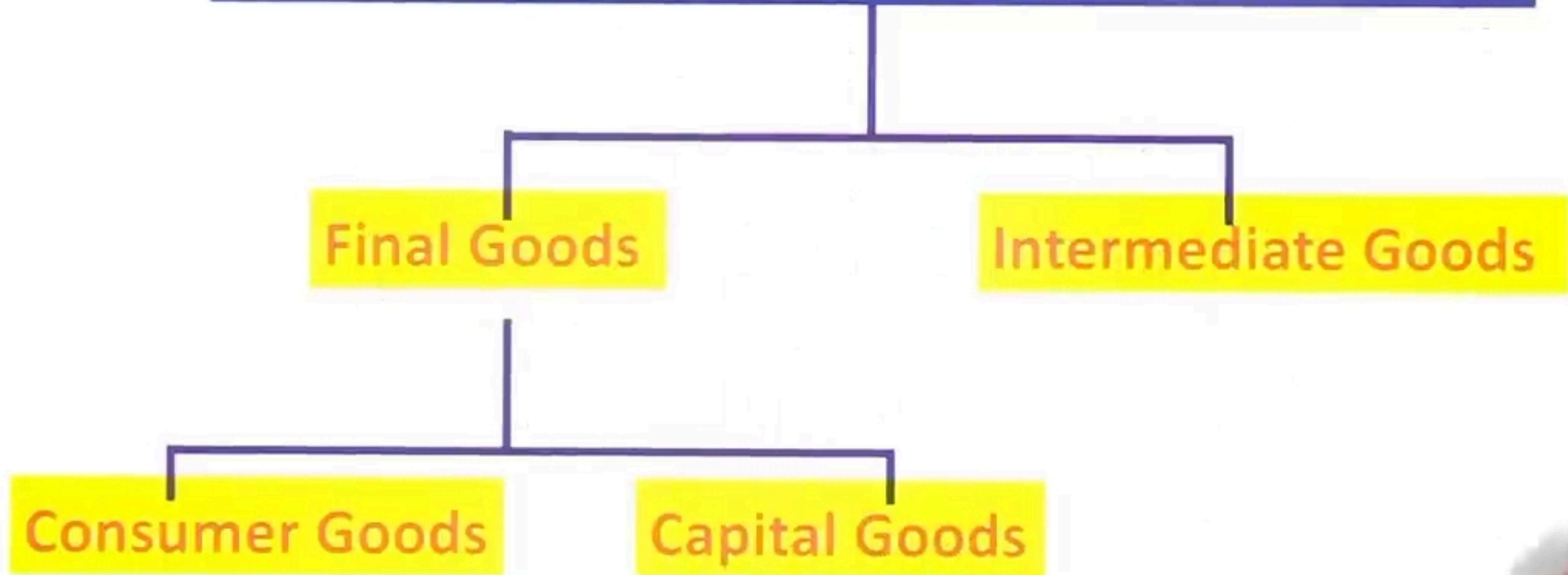


Classification of Goods



Final Goods	Intermediate Goods
They are those goods which are acquired for <u>personal consumption and investment</u> .	They are those goods which are acquired for <u>further production and used as raw material in production process</u> .
These goods are used by <u>consumer and producer both</u> .	It is used by <u>producer only</u> .
These goods reach their <u>final user or end user</u> .	These goods are transferred to <u>next user</u> .
There are <u>not meant for resale</u> .	They are <u>meant for resale</u> .
<u>No value is to be added in this goods</u> .	Value gets added to these goods.
They remain outside the production boundaries.	They remain inside the production boundary.
Their value is included in national income.	Their value is not included in national income.

Final Goods & Intermediate Goods

Final Goods	Intermediate Goods
They are those goods which are acquired for <u>personal consumption and investment</u> .	They are those goods which are acquired for <u>further production and used as raw material in production process</u> .
These goods are used by <u>consumer and producer both</u> .	It is used by <u>producer only</u> .
These goods reach their <u>final user or end user</u> .	These goods are transferred to <u>next user</u> .
There are <u>not meant for resale</u> .	They are <u>meant for resale</u> .
<u>No value is to be added in this goods</u> .	<u>Value gets added to these goods</u> .
They <u>remain outside the production boundaries</u> .	They <u>remain inside the production boundary</u> .
Their <u>value is included in national income</u> .	Their value is <u>not included in national income</u> .

Examples of Intermediate Goods :

- a) Wheat purchased by a restaurant
- b) cotton purchased by thread making mill
- c) furniture purchased by a furniture shop for resale
- d) cloth purchased by manufacturer for ready-made garments.

Example of Final Goods :

- a) Wheat, furniture, cloth, bread, butter etc. used by the consumers
- b) Machine used by producers

Consumer goods are those goods which are directly used for the satisfaction of human wants. These include:

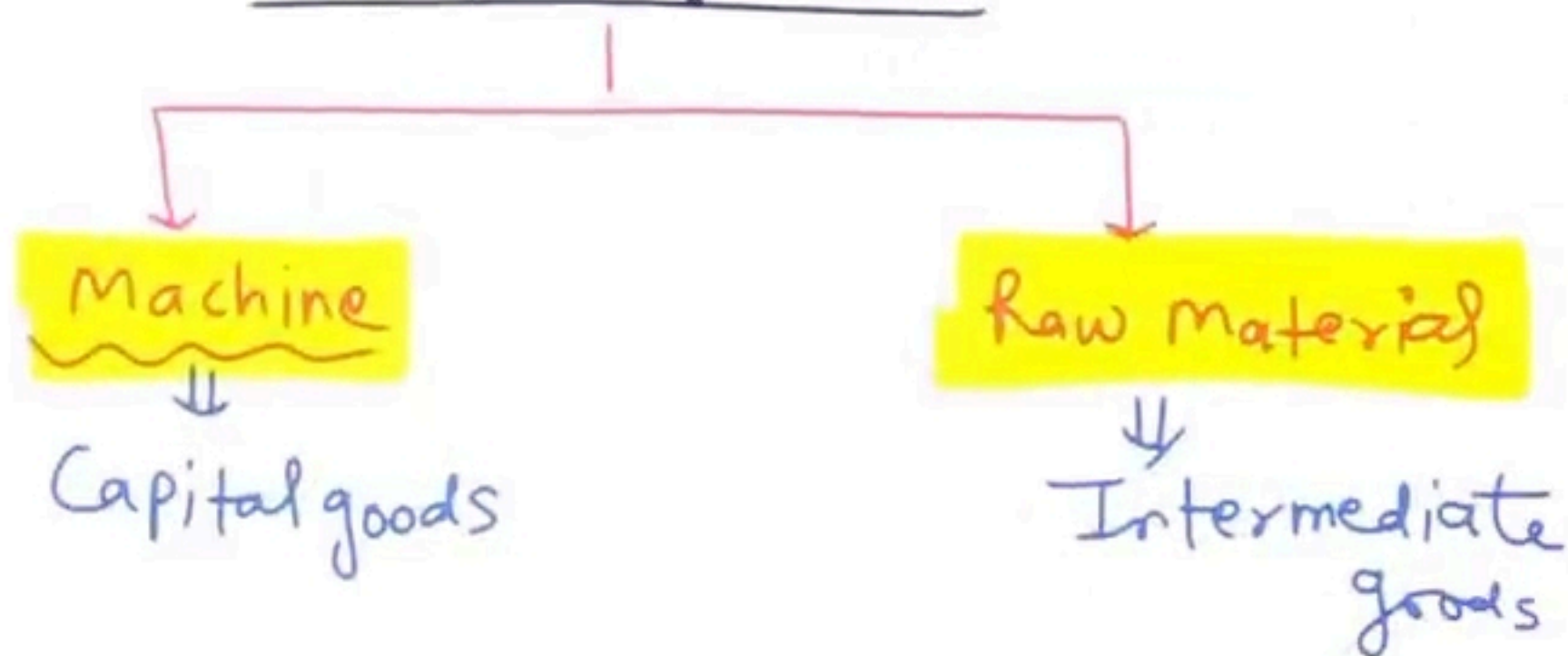
- a) Durable goods: It refers to those goods which can be used again and again over a period of time. For example: car, television, radio etc.
- b) Non-durable goods: Those goods which are used up in a single act of consumption. For example: fruit, oil, milk, vegetables, service of doctor etc.
- c) Semi durable goods: It refers to those goods which can be used for a period of one year or slightly more. For example: crockery, books, cloth etc.
- d) Services: Service are those non material goods which directly satisfy human wants. For example : Services of doctor, lawyer, banks etc

Capital Goods

Capital goods are those final goods which can be used repeatedly in the production process of other goods and services. For example, Plant and Machinery, equipments, tools etc.

Note : The same good can be consumption good and also capital good. It depends on the ultimate use. Example, a machine purchased by a household is a consumption good, as, if it is purchased by a firm for use in the business, then it is a capital good.

Producer goods



Classification of Goods

