**ECN-100: Homework Week 10: GDP and Economic Growth**

1) Calculate the following given these information about the economy in 1985, 1995, and 2000:

*1985 1995 2000*

*Nominal GDP (in $billions) 4,213 …. 9,824.6*

*GDP Deflator (index, 1996=100) 73.7 98.1 ….*

*Real GDP (in 1996 billion dollars) …. 7,543.8 9,191.4*

*Population (in millions) 238 265 280*

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a) Nominal GDP in 1995:

b) Real GDP in 1985:

c) Rise in the price level (inflation) from 1985 to 2000:

d) Growth in real GDP from 1985 to 2000:

e) Per capita real GDP in 1985, 1995, 2000:

f) The growth in per capita real GDP from 1985 to 2000:

2) A small economy has the following data:

*Quantities in 2003 Quantities in 2004 Prices 2003 Prices 2004*

*12 packs of Pepsi 14 packs $2.50/pck $2.00/pck*

*12 fan T-shirts 15 t-shirts $15/shirt $20/shirt*

*16 football tickets 18 tickets $25/ticket $30/ticket*

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a) Calculate the nominal GDP for each year 2003 and 2004.

b) Calculate the real GDP for each year, using 2003 as the base year.

c) Calculate the growth (% change) of the real GDP from 2003 to 2004.

3) GDP and Happiness:

a) How would you relate Happiness with a higher income (GDP) in the framework of a whole society? And for you, personally?

b) Happiness Index (searched Google) has some indicators, what are they?

c) If you were to add two more (new) indicators to the Happiness Index, what would they be?