5)

A. 2008 Nominal: $200 Real: $200 Deflator: 100

2009 Nominal: $400 Real: $400 Deflator: 100

2010 Nominal: $800 Real: $400 Deflator: 200

B. 2009 Nominal: 100% Real: 100% Deflator: 0%

2010 Nominal: 100% Real: 0% Deflator: 100%

Between 2008 and 2009 the nominal gdp doubled, the real gdp doubled, but the deflator remained the same. Between 2009 and 2010 the nominal gdp doubled, the real gdp remained the same and the multiplier doubled. This makes sense as between 2008 and 2009 the price stayed the same, quantities changed but the opposite happened for 2010, which would account for this change in numbers.

C. Economic well being rose more in 2010, not 2009 because the deflator doubled in 2010 meaning there was economic growth with an increase in product price.

6)

A. 6.52% Change

B. 4.42% Change

C. $8202.65

D. $8366.95

E. 2.00% Change

F. It was much lower because real gdp is based off of a base line year, this helps take into account the inflation of the dollar which will falsely make gdp rise because of the increase in the amount of money flowing through the markets.