**2.2 Measures of Economic Performance – GDP**

a) The rate of change of real Gross Domestic Product (GDP) as a measure of economic growth and living standards.

b) Gross National Income (GNI) as an alternative measure of national income.

c) The distinction between the following measures of GDP/GNI:

• real and nominal

• total and per capita

• value and volume.

d) Comparison of GDP/GNI rates of growth between countries and over time.

e) The concept of Purchasing Power Parities (PPPs) in making international comparisons of real GDP/GNI.

f) The distinction between positive economic growth rates and negative economic growth rates.

g) The concept of ‘recession’ as two consecutive quarters of negative economic growth.

h) The limitations of using GDP/GNI to compare living standards between countries and over time.

i) National happiness and wellbeing:

• indicators of national happiness and wellbeing

• the relationship between real incomes and subjective happiness.