**All about GDP**

**Part A: Is this counted a part of GDP? Which of the following are included and which are excluded in calculating this year’s GDP? Explain your decisions.**

1. A monthly check received by an economics student who has been granted a government scholarship.  **NOT COUNTED**

2. A farmer’s purchase of a new John Deere tractor.

**COUNTED**

3. A building contractor purchases a used truck. **COUNTED**

4. The cashing of a U.S. government bond.  **NOT COUNTED**

5. The services of a mechanic when fixing the radiator in his own car.

**NOT COUNTED**

6. A Social Security check paid by the federal government to a retired store clerk.

**NOT COUNTED**

7. The inventory of businesses increases.

**COUNTED**

8. The government purchases a new submarine for the U.S. Navy.

**COUNTED**

9. A barber’s income for cutting hair.

**COUNTED**

10. Income received from the sale of Google stock.

**NOT COUNTED**

**Part B: Is it counted AND where? For each of the following items, write one of the following in the space provided.**

**C – if the item is counted as consumption expenditures**

**Ig- if the item is counted as investment**

**G- if the item is counted as government expenditures**

**N – if the item is not counted in the GDP**

\_\_\_c\_\_\_\_ 1. You have to spend $12 to view a 3-D movie.

\_\_\_c\_\_\_\_ 2. A family pays a contractor $300,000 for a house he built for them this year.

\_\_\_n\_\_\_\_ 3. A family pays $75,000 for a house built fifteen years ago.

\_\_\_c\_\_\_\_ 4. An accountant pays a tailor $200 to sew a suit for her.

\_\_\_g\_\_\_\_ 5. The government increases its defense expenditures by $10,000,000.

\_\_\_n\_\_\_\_ 6. The government makes a $220 Social Security payment to a retire person.

\_\_\_n\_\_\_\_ 7. You buy General Motors stock for $1,000 in the stock market.

\_\_\_ig\_\_\_\_ 8. At the end of a year, a flour-milling firm finds that its inventories of grain and flour are $10,000 above the amounts of its inventories at the beginning of the year.

\_\_\_ig\_\_\_\_ 9. Ford Motor Company buys new robots to make autos.

\_\_\_c\_\_\_\_10. You pay $900 a month to rent an apartment.

\_\_\_ig\_\_\_11. Apple Computer Company builds a new factory.

\_\_\_n\_\_\_ 12. R.J. Reynolds Company buys control of Nabisco Foods.

\_\_\_c\_\_\_ 13. You buy a new Toyota truck that was made in Japan.

\_\_\_c\_\_ \_14. You pay tuition to attend college.