

Macroeconomics: - Khubi Ram Acharya

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Nominal GDP

Year	Px	Qx	Py	Qy	Pz	Qz	Nominal GDP= PxQx + PyQy +PzQz
2009	10	1000	100	200	500	300	10000+20000+150000=180000
2010	13	1050	115	225	540	450	13650+25875+243000=282525
2011	15	1200	120	275	600	700	18000+33000+420000=471000

Real GDP

Year	Px	Qx	Py	Qy	Pz	Qz	Real GDP= P ₀ Q _x + P ₀ Q _y + P _z Q _z
2009	10	1000	100	200	500	300	10000+20000+150000=180000
2010	10	1050	100	225	500	450	10500+22500+225000=258000
2011	10	1200	100	275	500	700	12000+27500+350000=389500

GDP Deflator

$\text{GDP Deflator} = (\text{Nominal GDP} / \text{Real GDP}) * 100$

GDP Deflator for 2009 = $(180000 / 180000) * 100 = 100$

GDP Deflator for 2010 = $(282525 / 258000) * 100 = 109.50$

GDP Deflator for 2011 = $(471000 / 389500) * 100 = 120.92$

Inflation

$\text{For Inflation} = (\text{change in GDP Deflator} / \text{GDP Deflator of previous Year}) * 100$

Change in GDP Deflator = GDP Deflator of current year – GDP Deflator of previous year

For 2010 = $[(109.50 - 100) / 100] * 100 = 9.50$

For 2011, = $[(120.92 - 109.50) / 109.50] * 100 = 10.42$