

4 Windows: \$1,200

4 tires :: \$8000

Work: \$10,000

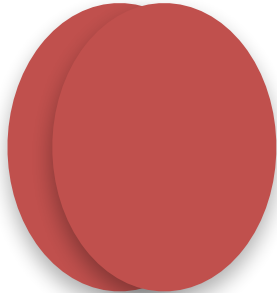
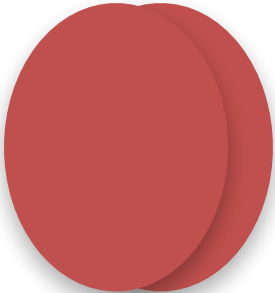
1car:\$30,000

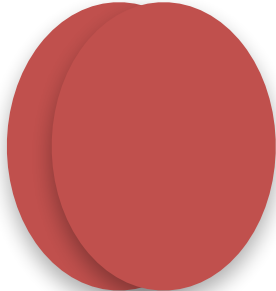
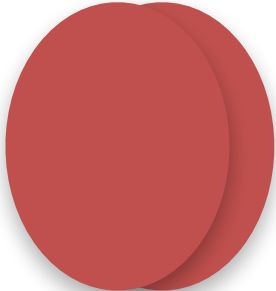
\$42,000

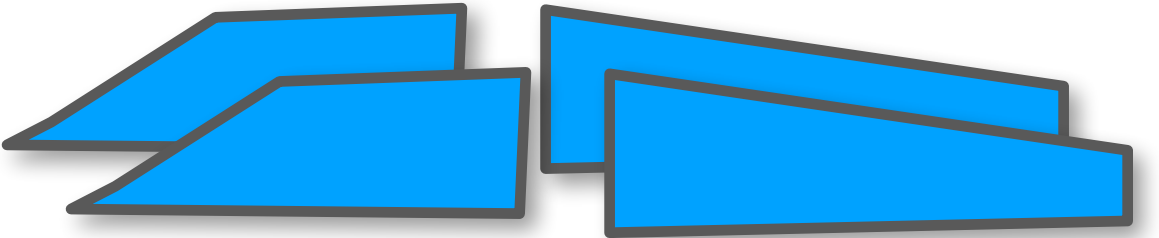


Total Sales of
New Goods

Include **twice** the value of the
tires, windows and work...

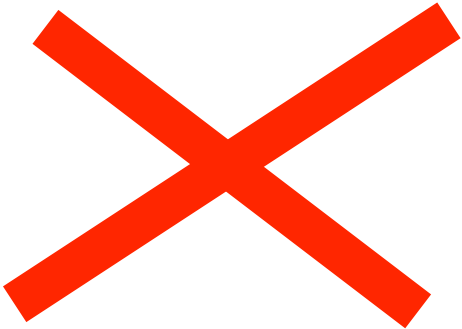






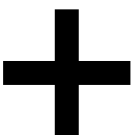
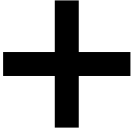
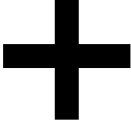
GDP = Total purchases of new goods...

GDP **excludes** sales
of intermediate
goods to avoid
double counting.

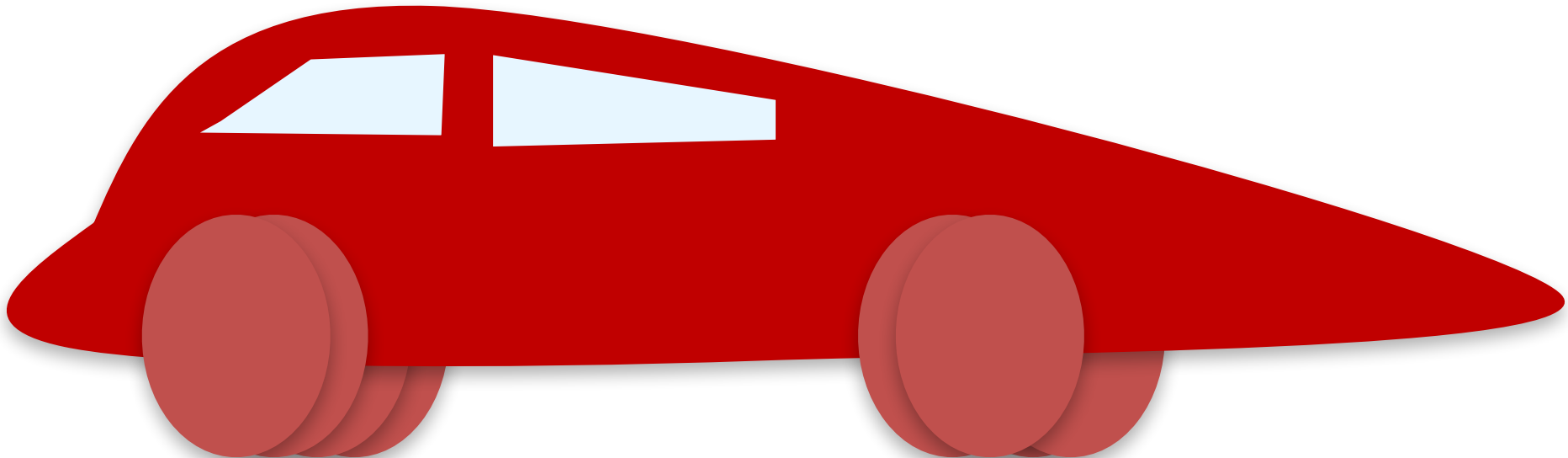




GDP only includes purchases of
new final goods



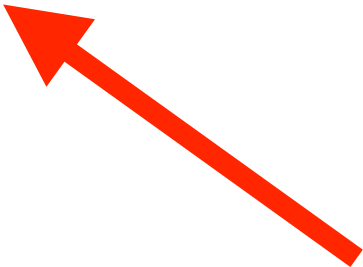






Intermediate
Goods and
Services

Final Good



4 Windows : \$1,200

+

4 tires : \$800

+

Work: \$10,000

+

1 car: \$30,000

=

~~\$42,000~~



GDP only includes purchases of
new final goods

Intermediate Good