



GDP = Dollar value of new, final goods and  
services produced

If we use the **actual** prices paid during a given year,  
we get **Nominal** GDP



GDP at  
current  
prices

$$\begin{aligned} &= \$P_{\text{rice of apple}} * (\text{Quantity of apples}) \\ &+ \$P_{\text{rice of computer}} * (\text{Quantity of computers}) \\ &+ \$P_{\text{rice of table}} * (\text{Quantity of tables}) + \\ &+ \$P_{\text{rice of lawyer services}} * (\text{Hours of lawyer} \\ &\text{services}) + \dots \end{aligned}$$

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GDP at  
**current**  
prices

A country produces three goods: X, Y and Z