TIP.

For 2019 real GDP we use prices paid in base year

2019 Real GDP use quantities purchased in 2019 but uses prices paid in the base year

Since prices are fixed at base year prices, if Real GDP changes it's because quantities changed, not prices

= \$11,000B

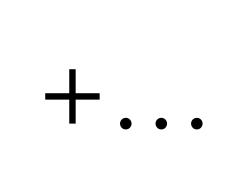
(O 2019 apples x P base year)

+(O²⁰¹⁹_{computers} x P base year) computers /

+(O_{haircuts} 2019 x P base year)

$+(O_{cars}^{2019}, P_{cars}^{base year})$

+(O_{houses} X P base year)



For 2019 real GDP we use prices paid in base year

$$(Q_{\text{apples}}^{2019} \times P_{\text{apples}}^{\text{base year}}) + (Q_{\text{computers}}^{2019} \times P_{\text{computers}}^{\text{base year}}) + (Q_{\text{haircuts}}^{2019} \times P_{\text{haircuts}}^{\text{base year}}) + (Q_{\text{haircuts}}^{2019} \times P_{\text{haircuts}}^{\text{base year}}) + (Q_{\text{houses}}^{2019} \times P_{\text{Houses}}^{\text{base year}}) + \dots = $11,000B$$

2019 Real GDP use quantities purchased in 2019 but uses prices paid in the base year

Real GDP

Since prices are fixed at base year prices, if Real GDP changes it's because quantities changed, not prices

Nominal GDP

Real GDP