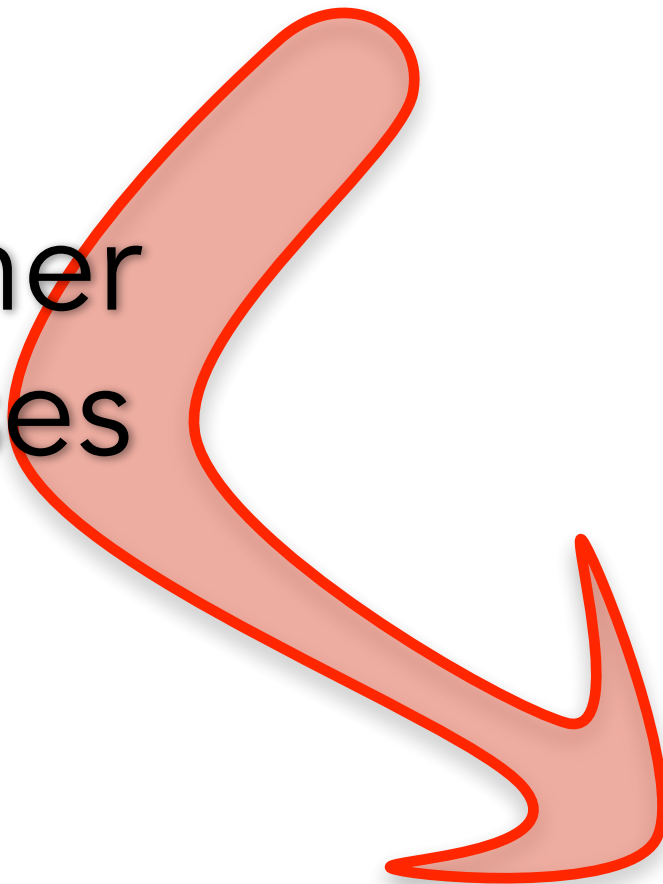


Measuring Total Production



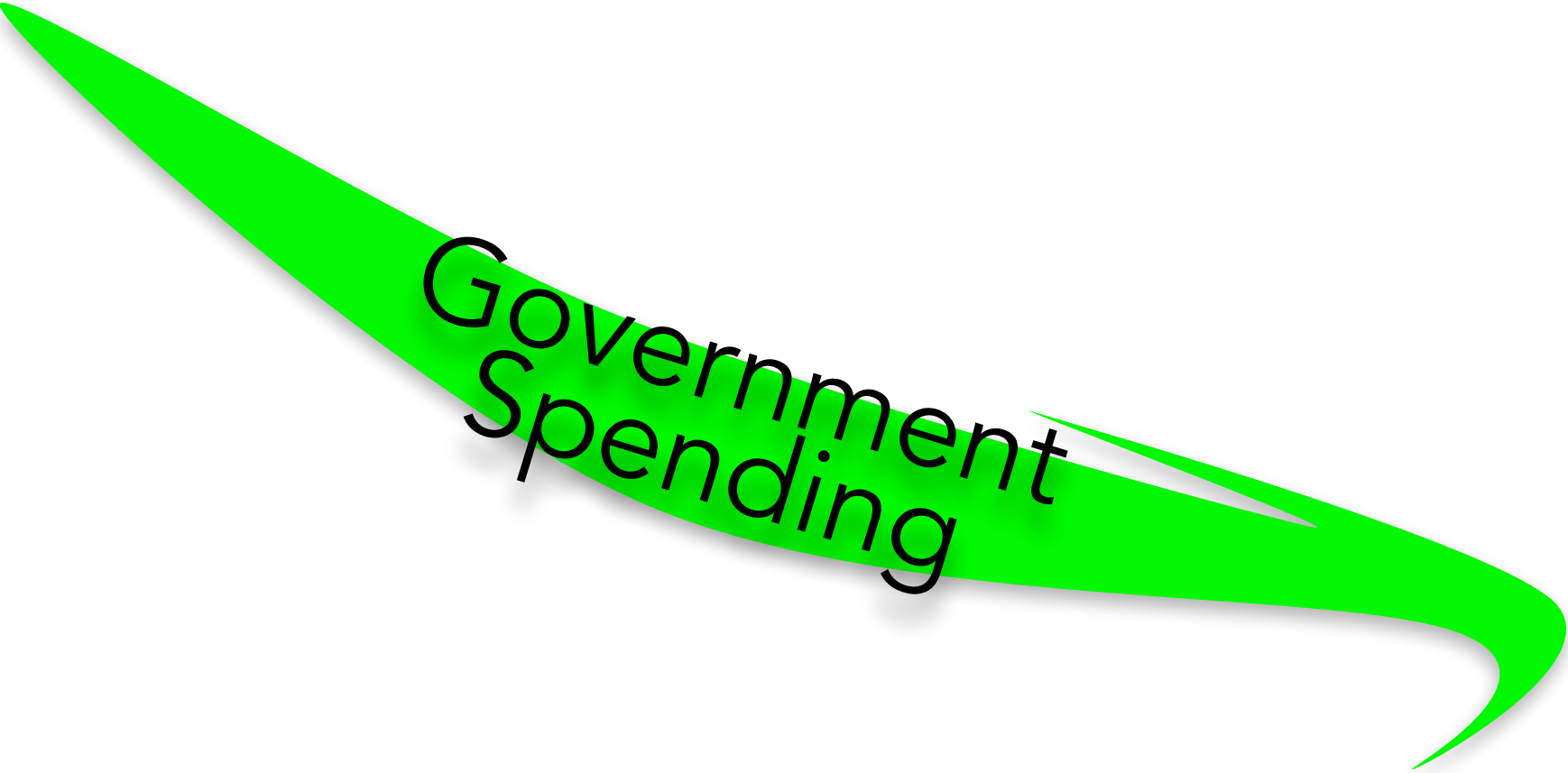
Total Production

Consumer
purchases





Exports



Government
Spending



Investment

The Expenditures Approach

GDP

Goods and Services are
purchased by consumers,
firms, the government and
other countries

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Adding Total Purchases
gives us Total
Production

$$\text{GDP} = \text{Consumer Purchases} + \text{Investment Purchases} + \text{Government Purchases} + \text{Other Countries' purchases}$$

Measuring Total Production

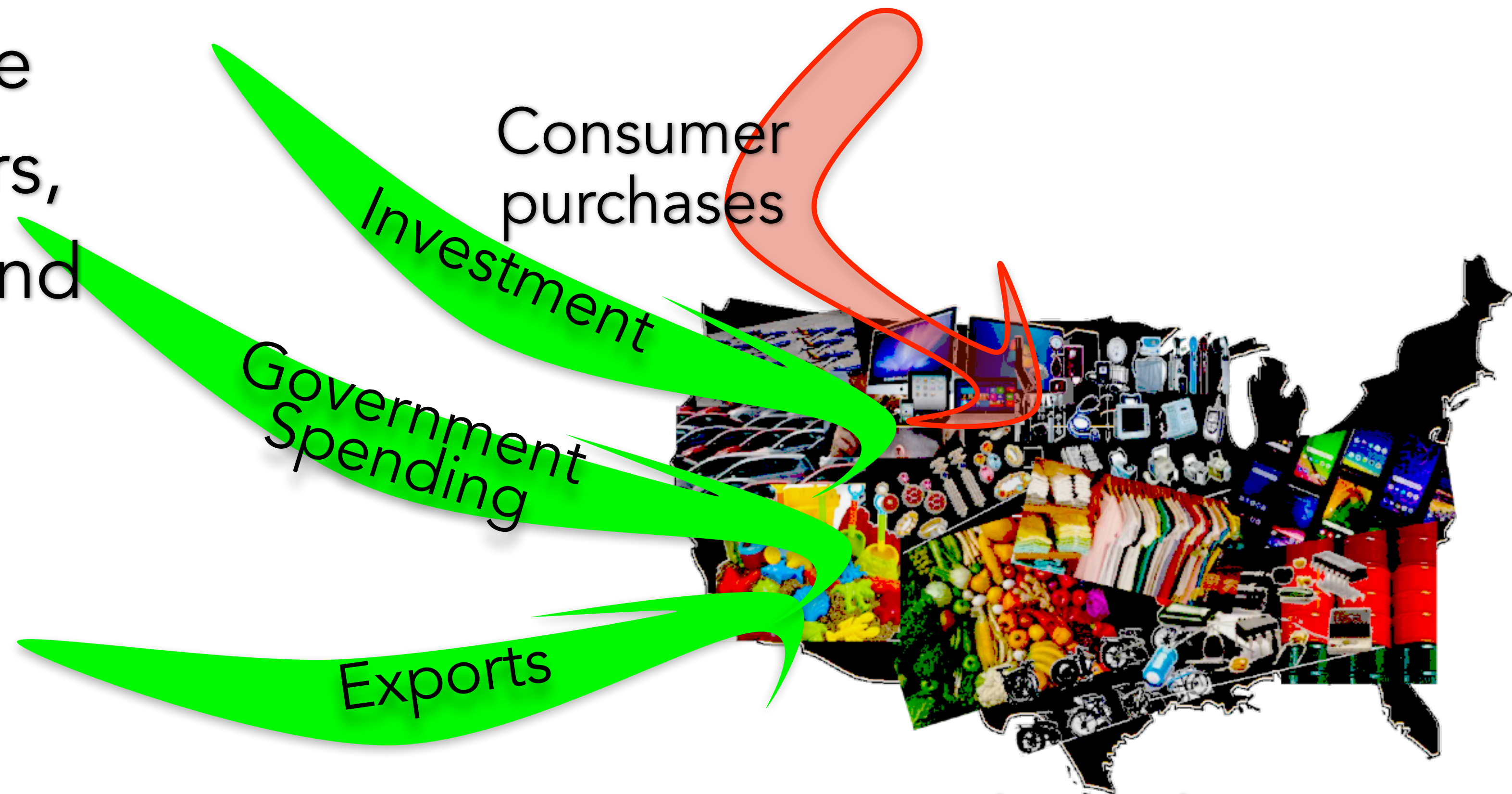
The Expenditures Approach

GDP

Goods and Services are purchased by consumers, firms, the government and other countries

Adding Total Purchases gives us Total Production

$$\text{GDP} = \text{Consumption} + \text{Investment} + \text{Government Spending} + \text{Exports}$$



Total Production

Expenditures Approach