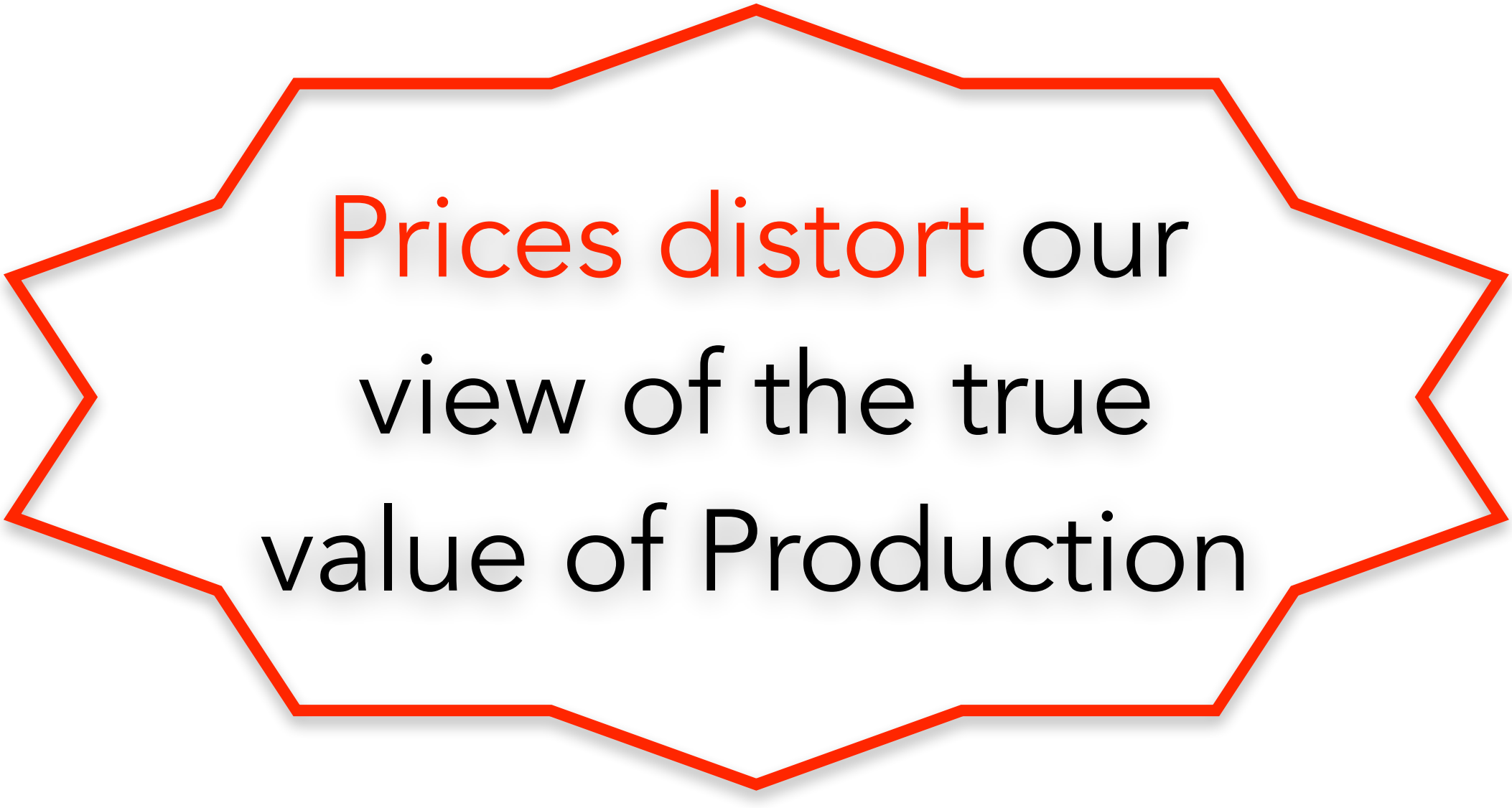


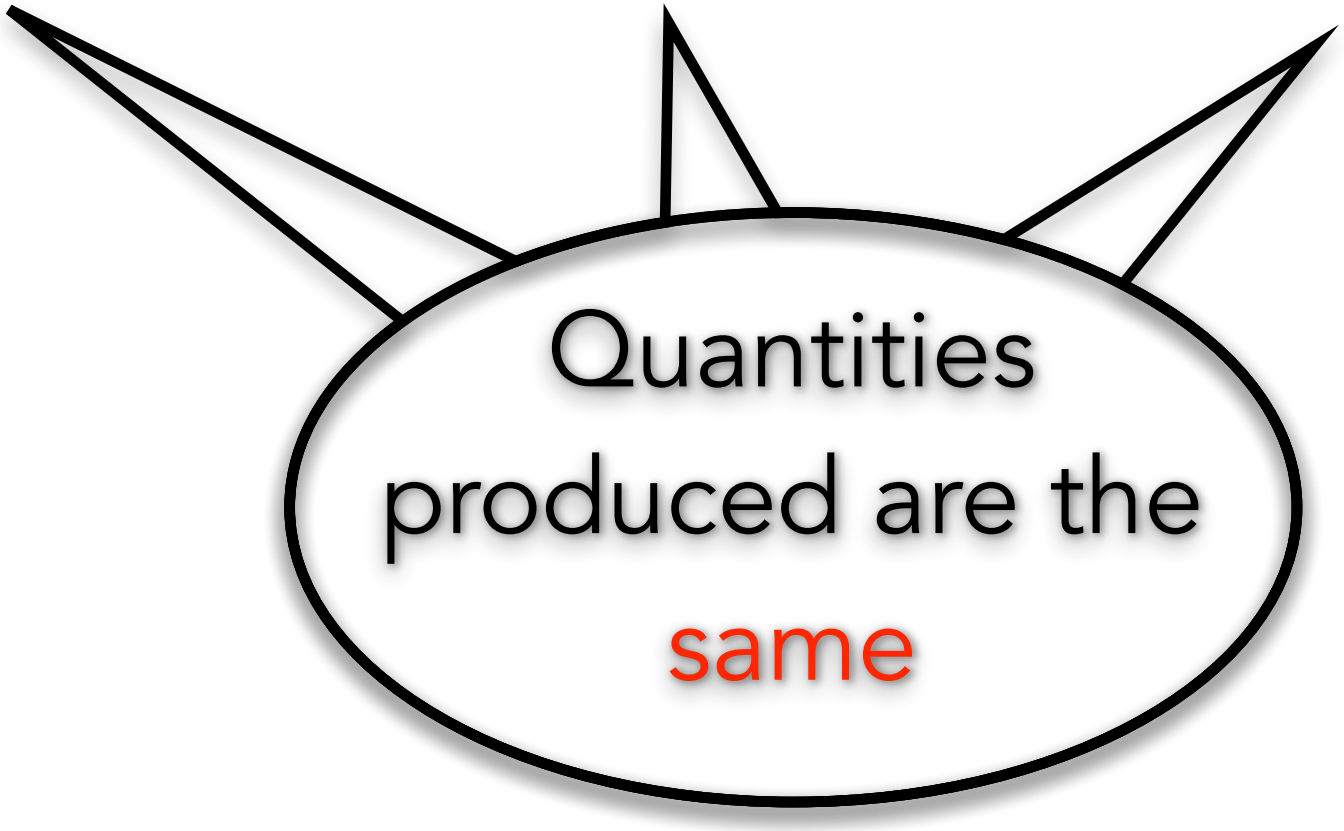
Year	Price X	Quantity X	Price Y	Quantity Y	Price Z	Quantity Z	Nominal GDP
1	1	100	0.5	50	0.6	10	$(1 \times 100) + (0.5 \times 50) + (0.6 \times 10) = 131$
2	2	100	1	50	1.2	10	$(2 \times 100) + (1 \times 50) + (1.2 \times 10) = 262$
3	4	100	2	50	2.4	10	$(4 \times 100) + (2 \times 50) + (2.4 \times 10) = 524$
4	8	100	4	50	4.8	10	$(8 \times 100) + (4 \times 50) + (4.8 \times 10) = 1,048$



We must use prices



Prices distort our
view of the true
value of Production



Quantities
produced are the
same



But

Nominal GDP tells us
that production
increased!

the 1990s, the number of people in the UK who are aged 65 and over has increased from 10.5 million to 12.5 million, and the number of people aged 75 and over has increased from 4.5 million to 6.5 million (Office for National Statistics 2000). The number of people aged 65 and over is projected to increase to 15.5 million by 2020, and the number of people aged 75 and over to 8.5 million (Office for National Statistics 2000).

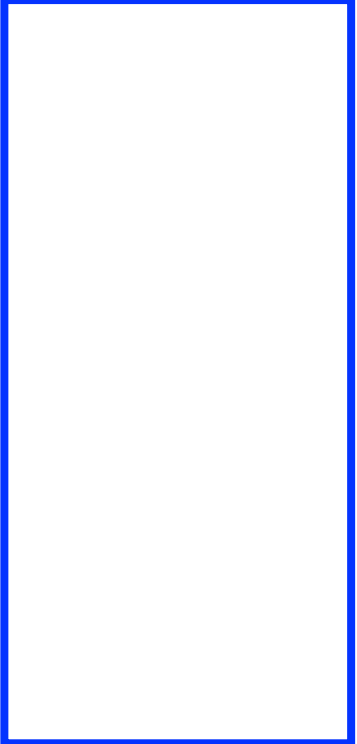
There is a growing awareness of the need to address the needs of older people in the UK. The Department of Health (2000) has published a strategy for older people, which sets out the government's commitment to improve the lives of older people. The strategy is based on three main principles: (1) to ensure that older people have the opportunity to live independently and actively; (2) to ensure that older people have access to the services and support they need; and (3) to ensure that older people are treated with respect and dignity. The strategy is being implemented through a range of measures, including: (1) increasing the number of people who are employed or volunteering; (2) improving the quality of care in residential care homes; and (3) increasing the number of people who are receiving home care services.

The Department of Health (2000) also states that the government is committed to ensuring that older people have access to the services and support they need. This includes: (1) ensuring that older people have access to health care services; (2) ensuring that older people have access to social care services; and (3) ensuring that older people have access to housing services. The government is also committed to ensuring that older people are treated with respect and dignity. This includes: (1) ensuring that older people are not discriminated against on the basis of their age; and (2) ensuring that older people are treated as individuals.

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A thick red arrow pointing to the right, positioned at the start of the text.

We **must** use prices