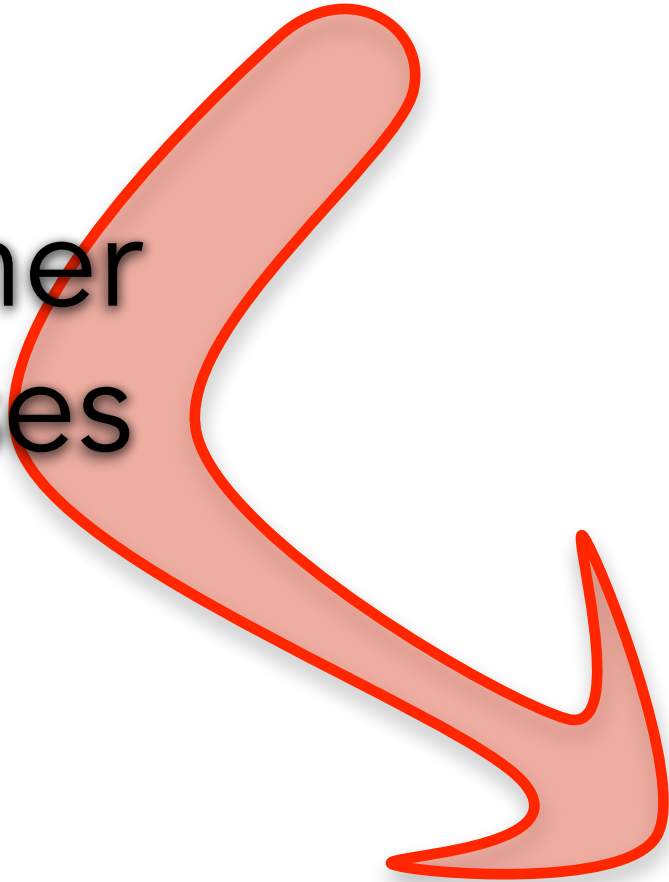


Measuring Total Production



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

Consumer
purchases

Investment

Government
Spending

Exports

Adding Total Purchases
gives us Total Production



Total Production

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

Expenditures Approach