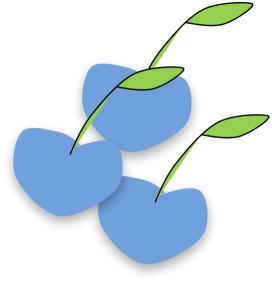
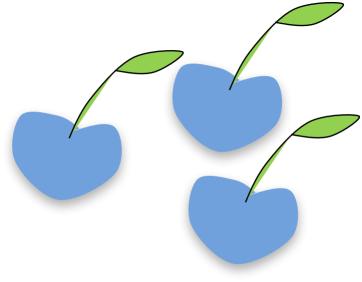


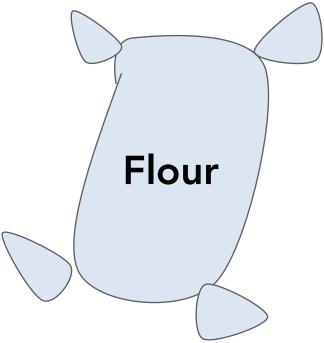
Intermediate vs. Capital Goods

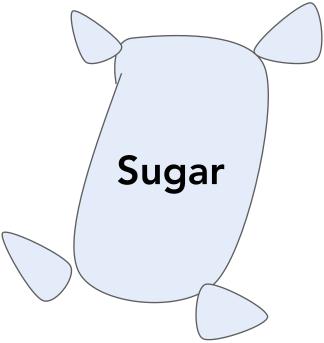








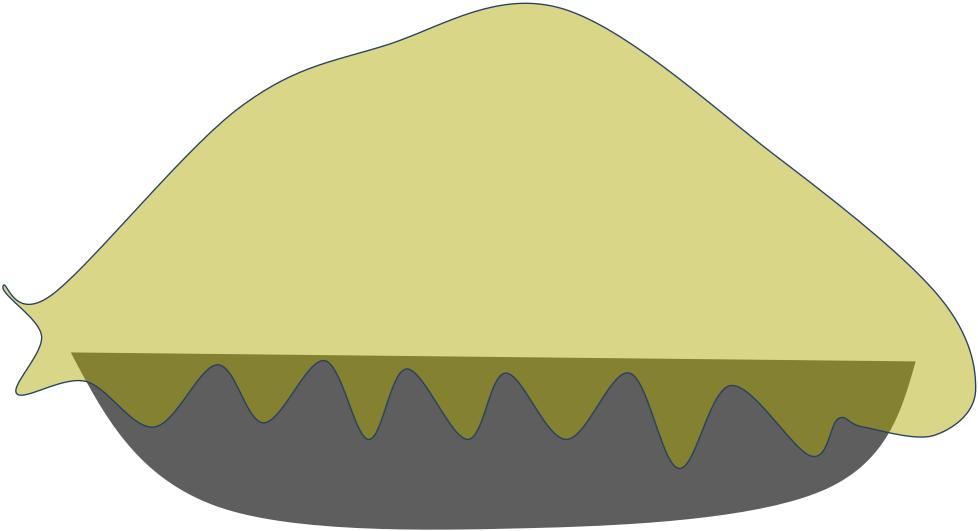




Purchases of new Capital into GDP goods are included into

Purchases of intermediate goods are not included

Depreciation





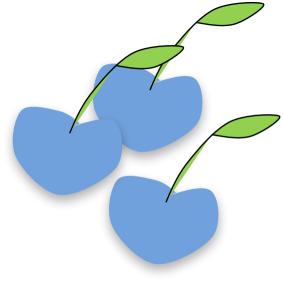
Capital Good

Final Good

Intermediate goods are completely used up in the production of the

Final Good

Capital goods are only partially used (depreciated) during production of Final Goods



A bakery buys sugar, flour, cherries and a new oven to make pies for sale





Intermediate Goods and Services

Purchases of intermediate

purchases of intermediate

goods are not included

into GDP

Intermediate vs. Capital Goods

Intermediate goods are completely used up in the production of the Final Good

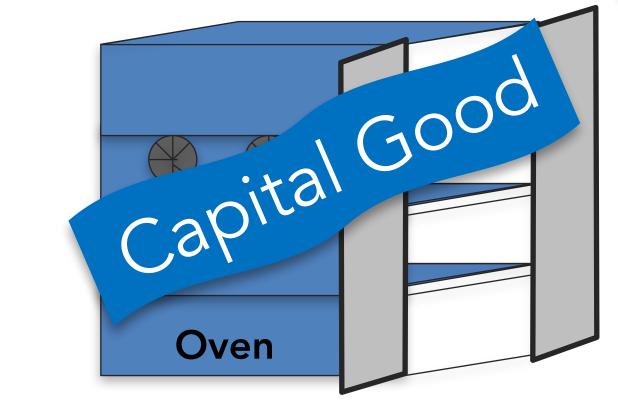


Flou

Depreciation

Final Good

Sugar



Depreciation

Oven

Purchases of new Capital goods are included into GDP Capital goods are only partially used (depreciated) during

production of

Final Goods

A Capital Good