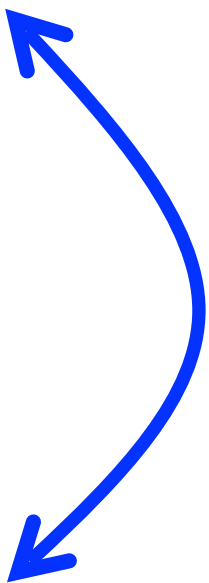




Personal Consumption Expenditures	9,734
Depreciation	1,687
Wages	7,874
Indirect Business Taxes	1,041
Rental Income	65
Gross Private Domestic Investment	2,125
Profits	2,638
Exports	1,643
Government Purchases	2,690
Interest	603
Imports	2,351
Income received from other countries	818
Income paid to other countries	722

Should  
be equal



In practice there is always a difference because there is a lag between the time when production and incomes are measured. This difference is called the Statistical Discrepancy =  $NNP - NI = 29$

$GDP = C + I + G + X - M$	$13,841$
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<b>National Income = Wages + Interest+Rents+Profits+Indirect Business Taxes</b>	<b>12,221</b>
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**GNP** = GDP - income paid to other  
countries + income received from  
other countries

**13,937**

$$\text{NNP} = \text{GNP} - \text{Depreciation} \quad 12,250$$









**M**





Total Incomes  
**\$12,221**

Total Production *is always equal* to Total Incomes



United States as Internal Disposal

Total Production  
**\$12,250**





Should  
be equal

Personal Consumption Expenditures <b>C</b>	9,734
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Income <i>received</i> from other countries	818
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<b>GDP = C + I + G + X - M</b>	<b>13,841</b>
<b>National Income = Wages + Interest+Rents+Profits+Indirect Business Taxes</b>	<b>12,221</b>
<b>GNP = GDP - income paid to other countries + income received from other countries</b>	<b>13,937</b>
<b>NNP = GNP - Depreciation</b>	<b>12,250</b>



Total Production  
\$12,250

Total Incomes  
\$12,221

Should  
be equal

In practice there is always a difference because there is a lag between the time when production and incomes are measured. This difference is called the Statistical Discrepancy = NNP – NI =29

Should  
be equal

Total Production **is always equal** to Total Incomes



