

GDP = Dollar value of new, final goods and
services produced

If we use the **actual** prices paid during a given year,
we get **Nominal** GDP



GDP at
current
prices

$$\begin{aligned} &= \$P_{\text{rice of apple}} * (\text{Quantity of apples}) \\ &+ \$P_{\text{rice of computer}} * (\text{Quantity of computers}) \\ &+ \$P_{\text{rice of table}} * (\text{Quantity of tables}) + \\ &+ \$P_{\text{rice of lawyer services}} * (\text{Hours of lawyer} \\ &\text{services}) + \dots \end{aligned}$$

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GDP at
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A country produces three goods: X, Y and Z