

$$GDP = C + I + G + X - M$$



Net Investment

Includes only the net
addition to the Stock of
Capital



Net Domestic Product



Net addition
to the Stock
of Capital

= 3 new pieces

Net Investment



N

1

=

3

Includes only the **net**
addition to the Stock of
Capital

Net addition
to the Stock = 3 new pieces
of Capital

Net
Investment



$$\text{NDP} = C + \cancel{I}^3 + G + X - M$$

Net Domestic Product

Net Investment