



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



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