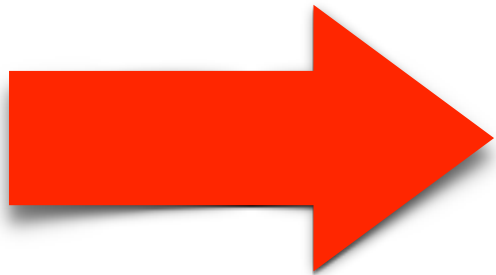


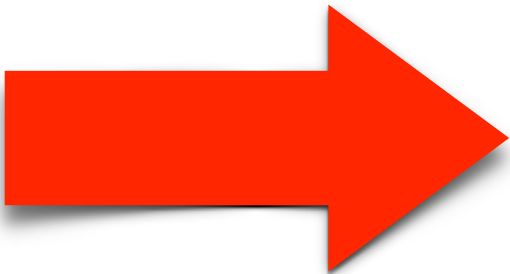
We must **eliminate** the
distortion in actual
production values caused by
changing prices

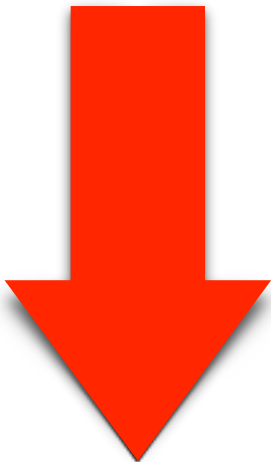
Use prices, but
"pretend" prices
do not change

Real GDP



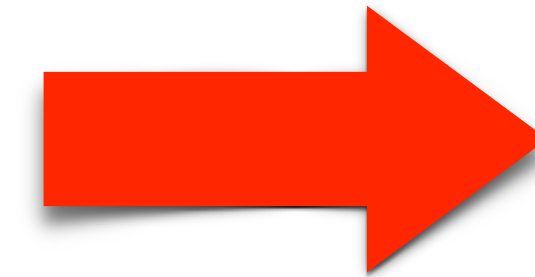
We must use prices



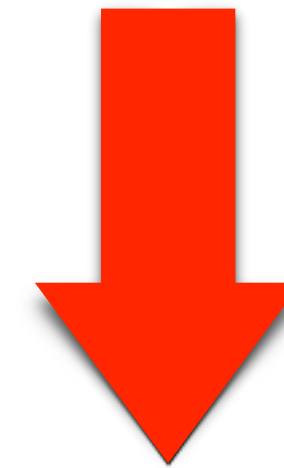


 We **must** use prices

We must **eliminate** the
distortion in actual
production values caused by
changing prices



Use prices, but
“**pretend**” prices
do not change



Real GDP

Year	Price X	Quantity X	Price Y	Quantity Y	Price Z	Quantity Z
1	1	100	0.5	50	0.6	10
2	2	100	1	50	1.2	10
3	4	100	2	50	2.4	10
4	8	100	4	50	4.8	10