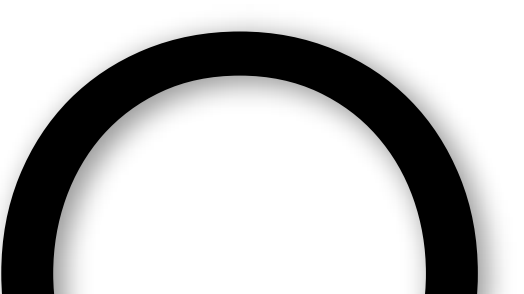
Nominal GDP

If Nominal GDP changes from year to year, it's because prices **and/or** quantities changed



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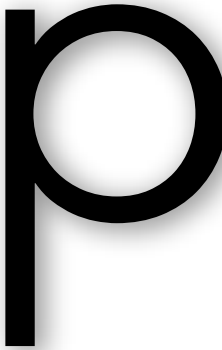

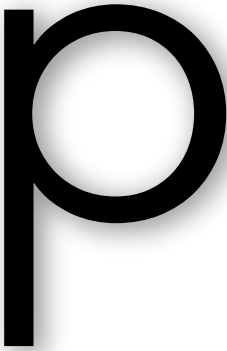

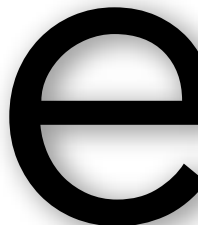

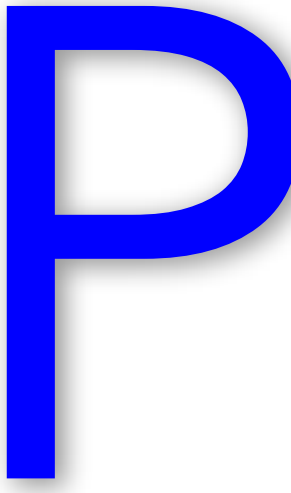

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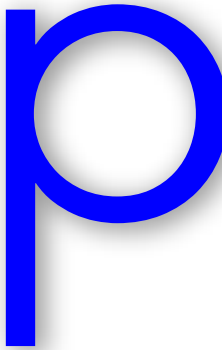

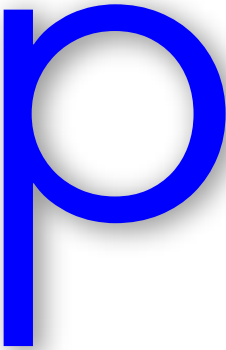

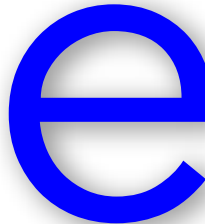

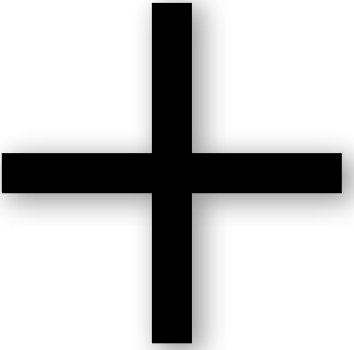

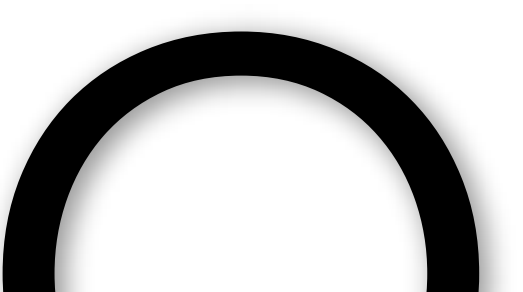

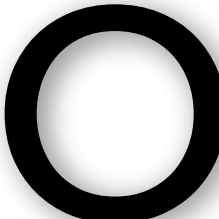

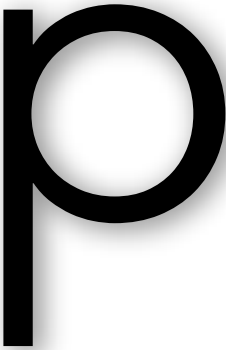

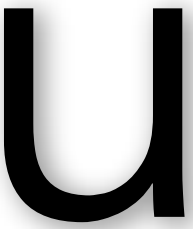

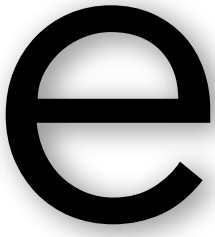

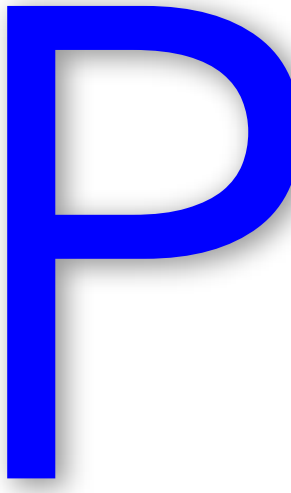

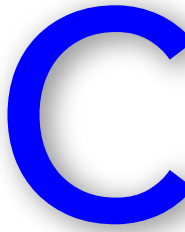

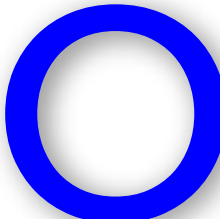

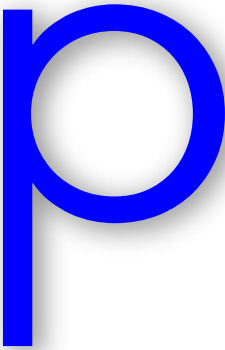

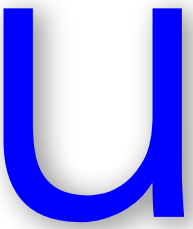

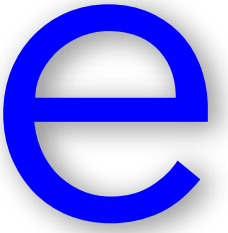

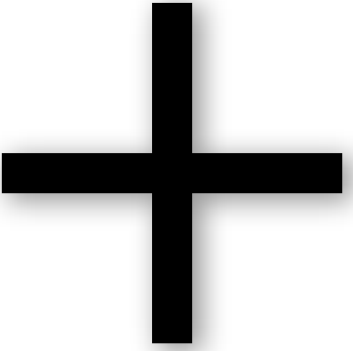

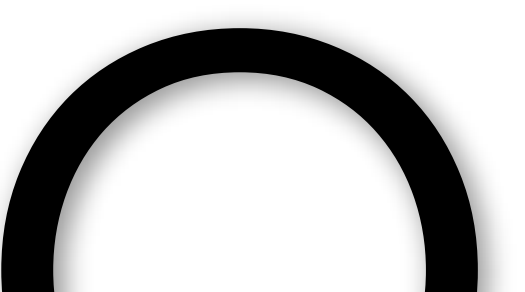

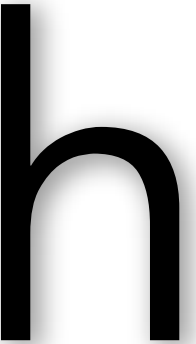

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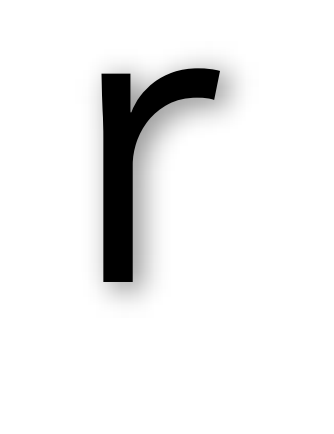

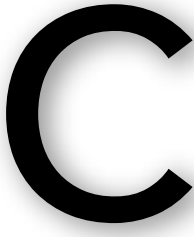

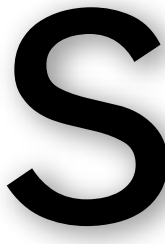

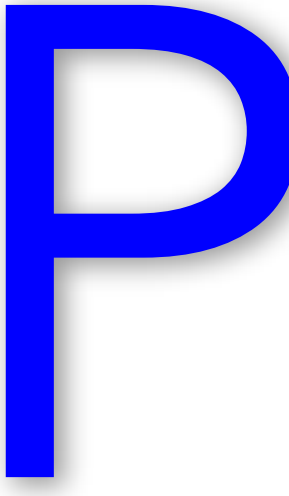

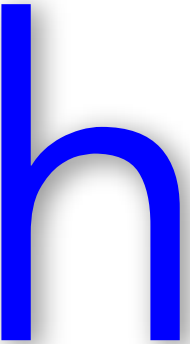

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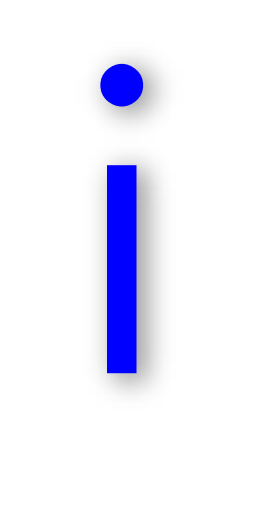

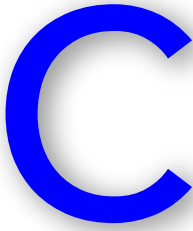

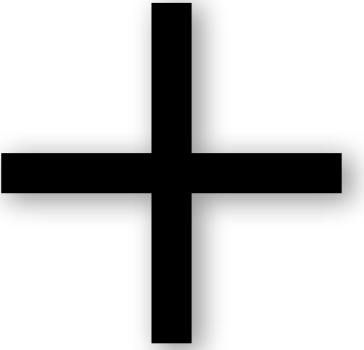

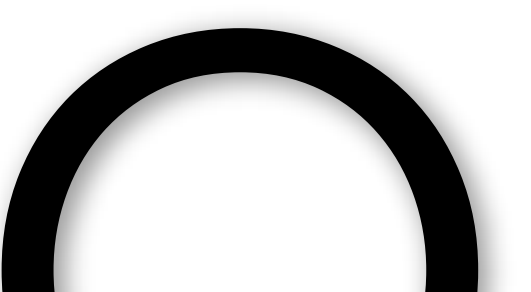

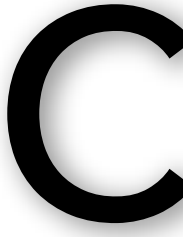

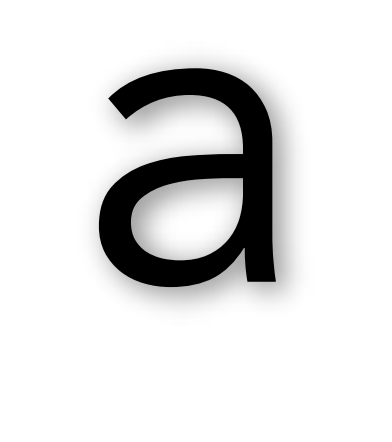
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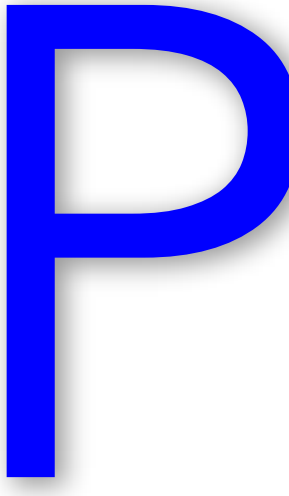

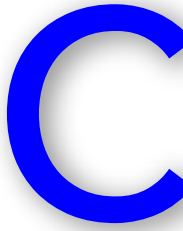

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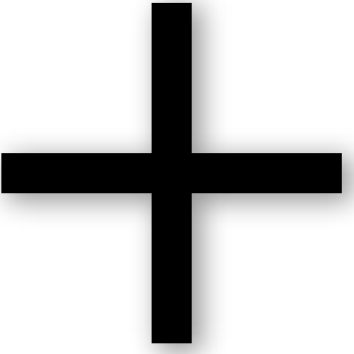

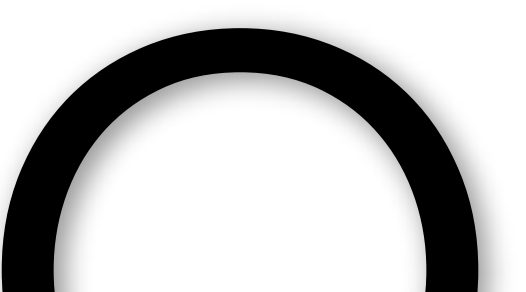

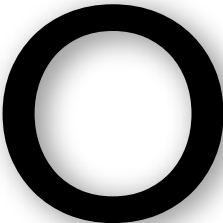

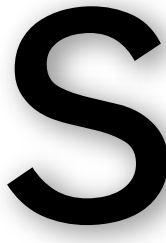

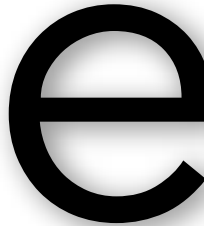

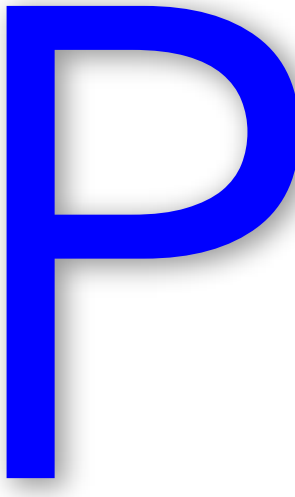

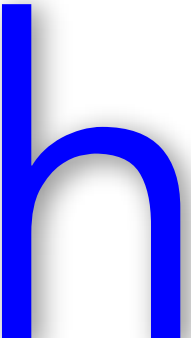

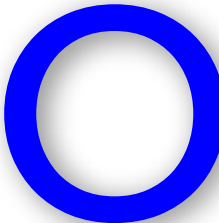

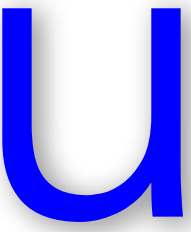

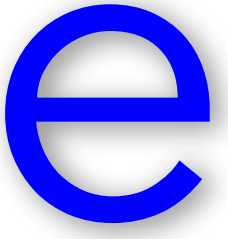

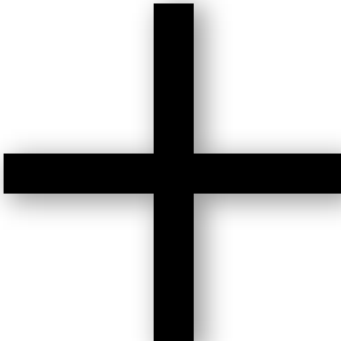

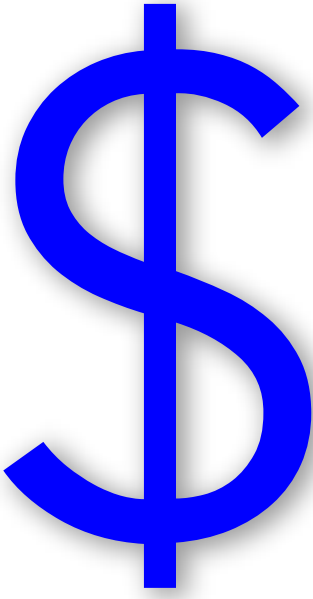

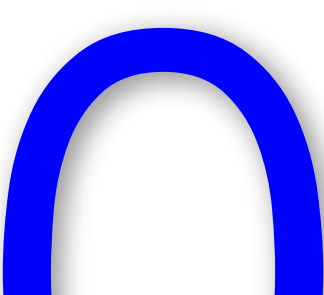

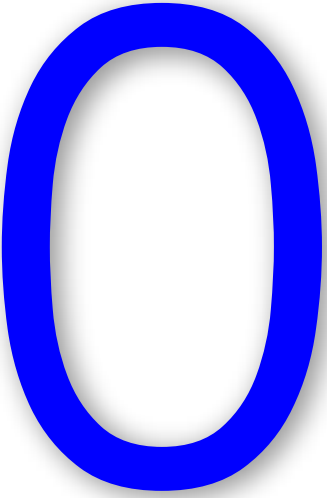

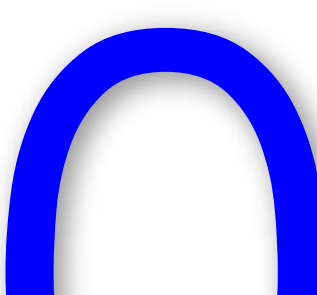

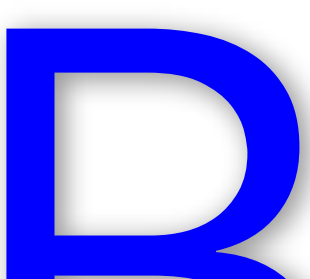
B

2019 Nominal GDP use quantities purchased and prices paid in 2019

$$(Q_{apples} \times P_{apples}) + (Q_{computers} \times P_{computers}) +$$

$$(Q_{haircuts} \times P_{haircuts}) + (Q_{cars} \times P_{cars}) + (Q_{houses} \times P_{houses})$$

$$+ \ldots = \$22{,}000B$$

$$(Q_{apples} \times P_{apples}) + (Q_{computers} \times P_{computers}) +$$
$$(Q_{haircuts} \times P_{haircuts}) + (Q_{cars} \times P_{cars}) + (Q_{houses} \times P_{houses})$$
$$+ \ldots = \$22{,}000B$$

Nominal GDP

2019 Nominal GDP use quantities purchased and prices paid in 2019

If Nominal GDP changes from year to year, it's because prices **and/or** quantities changed

Real GDP