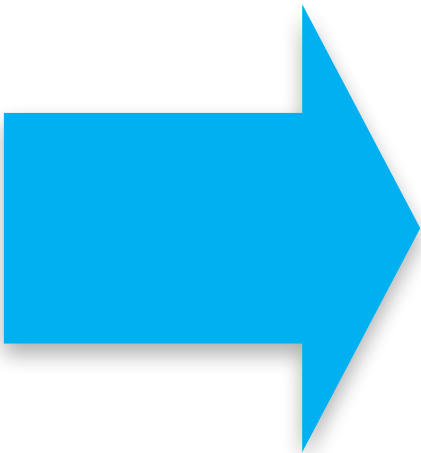




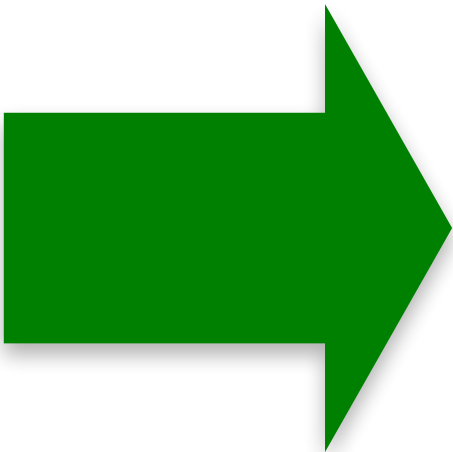
Investment

Total Purchase of  
new capital goods

Net Addition to  
stock of capital



= 3 pieces



3 old (depreciated) pieces  
had to be removed and  
replaced by 3 new ones



**== 6 new pieces**

# Stock of Capital= 20 pieces



# Gross Investment





# Gross Investment









# New Stock of Capital= 23 pieces



# Net Investment









n



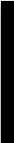


**a**

**m**











An example...



Stock of Capital= 20 pieces



Gross  
Investment



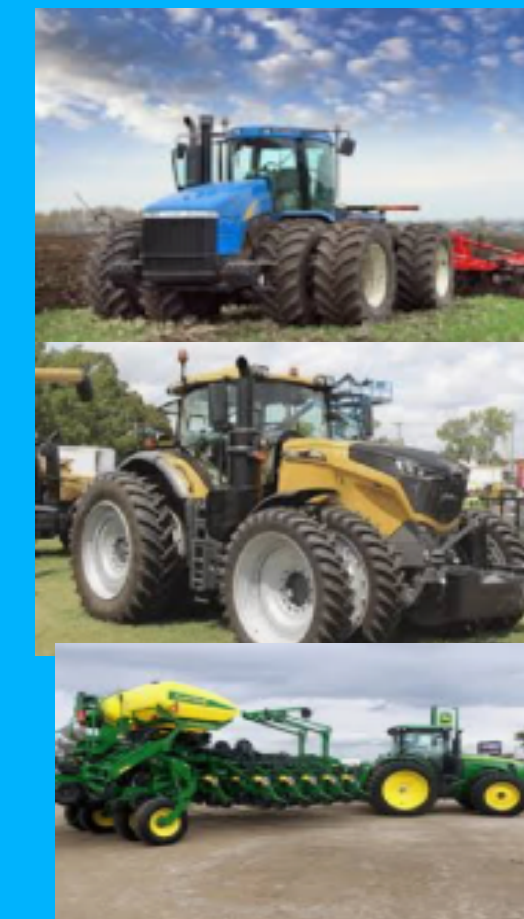
Investment

Total Purchase of  
new capital goods  
= 6 new pieces

New Stock of Capital= 23 pieces



Net  
Investment



Net Addition to  
stock of capital  
= 3 pieces