x100

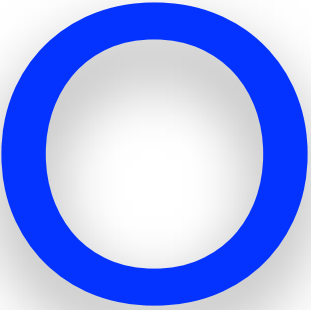
Nominal GDP 2019

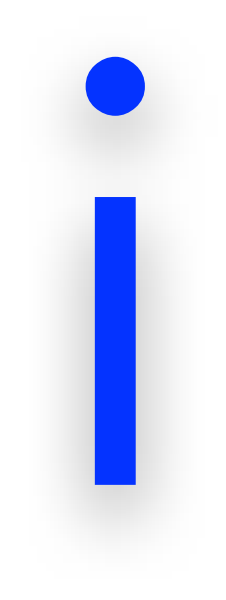
Real GDP$_{2019}$

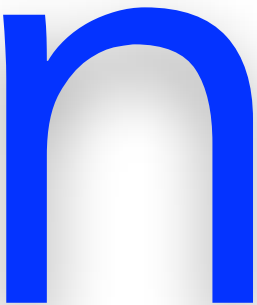
$22,000

$11,000

Nominal GDP is **twice** as large as Real GDP





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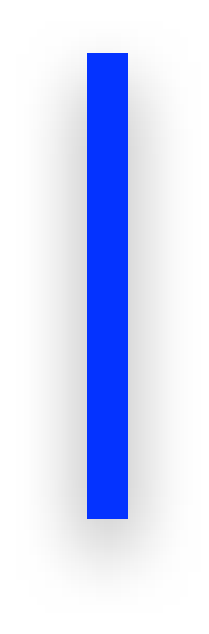

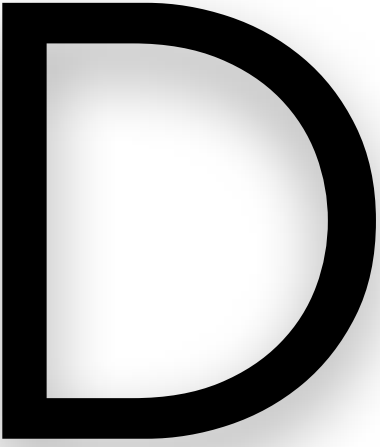

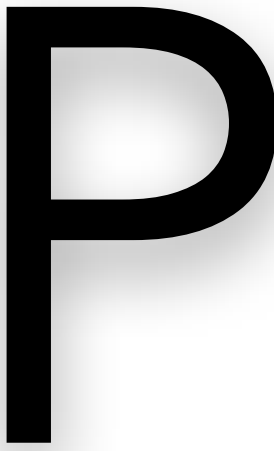

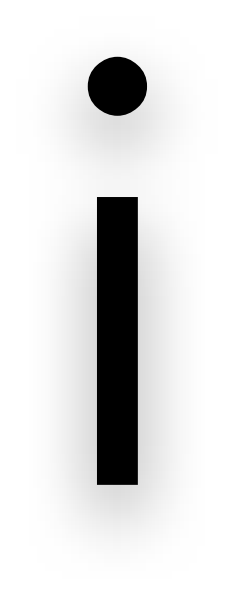

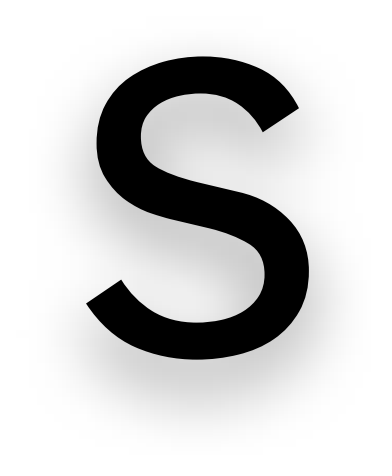

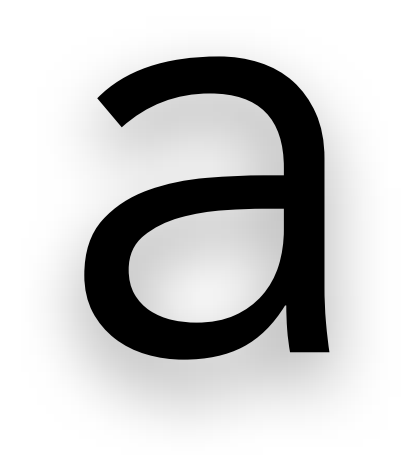
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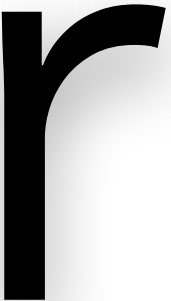

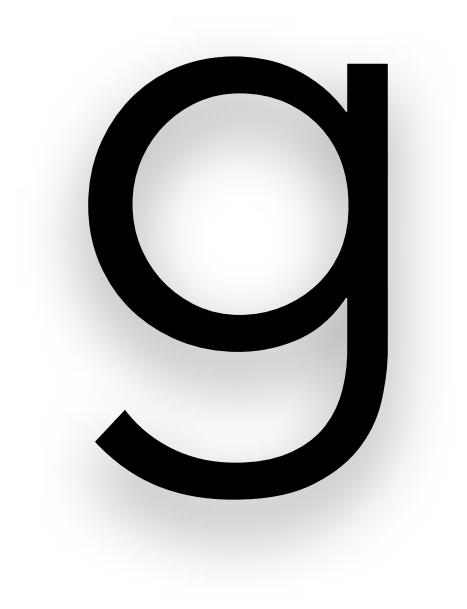

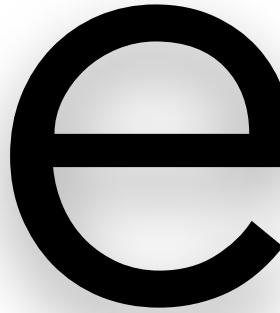

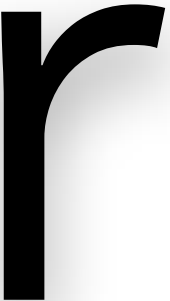

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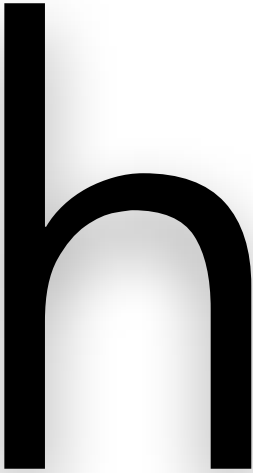

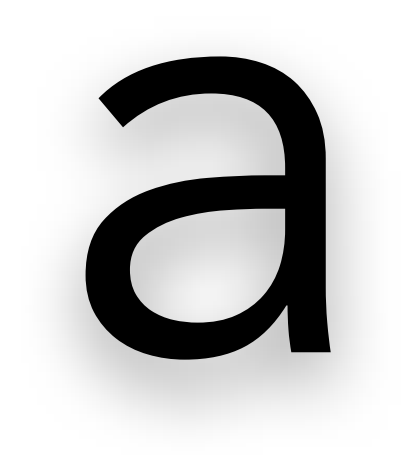
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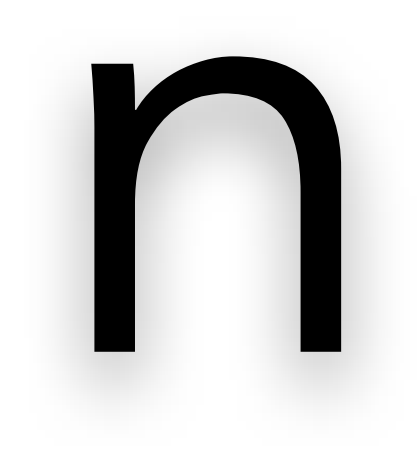

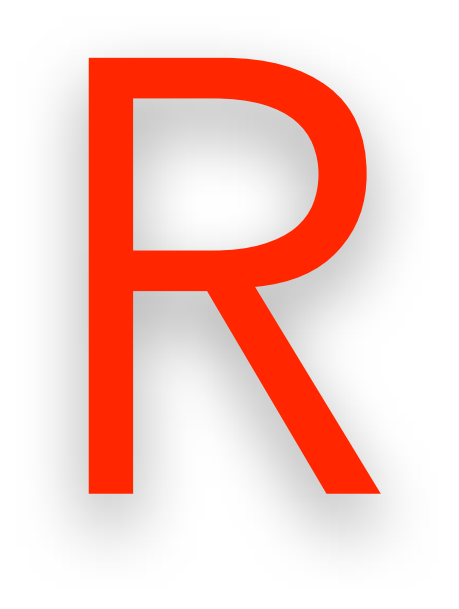
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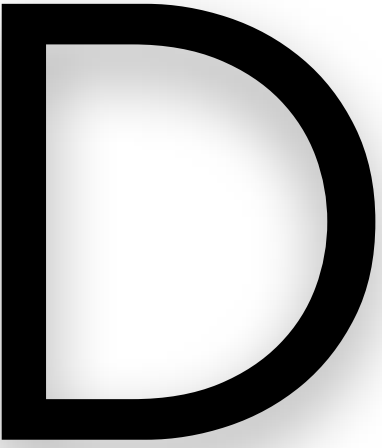

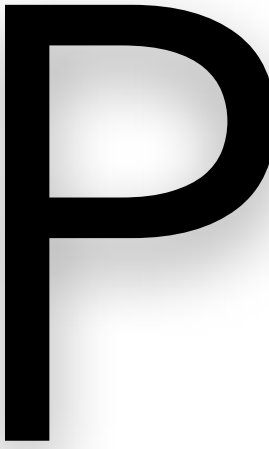

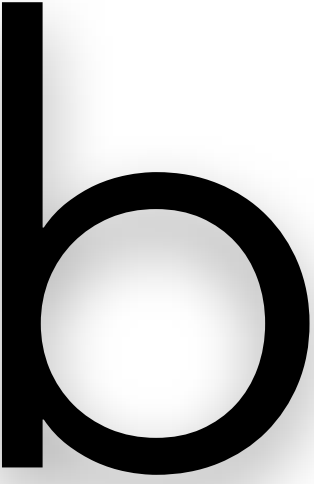

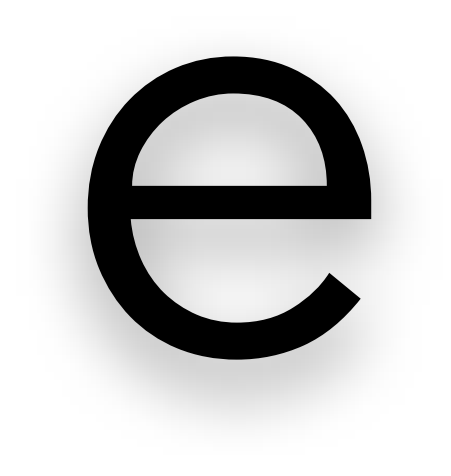

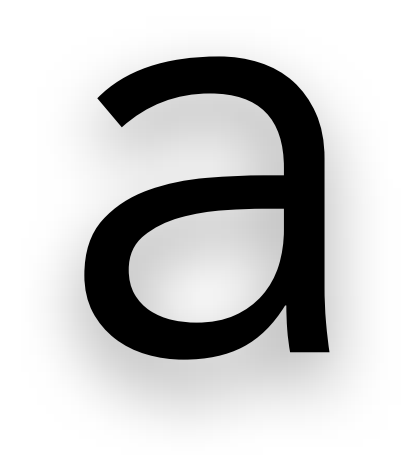
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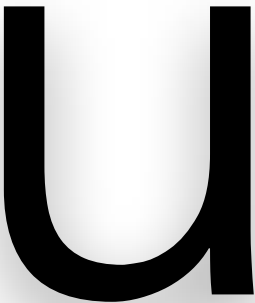

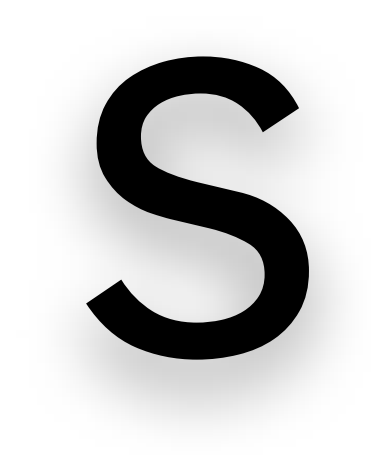

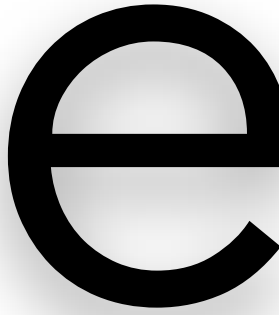

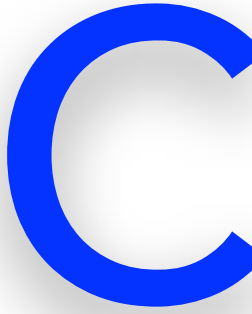

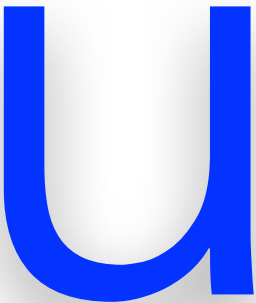

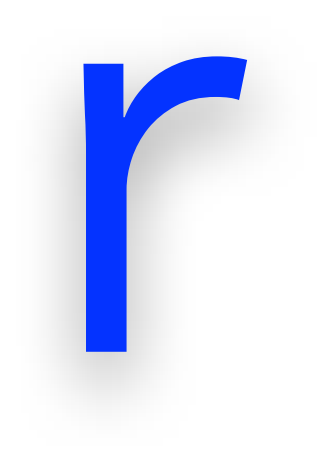

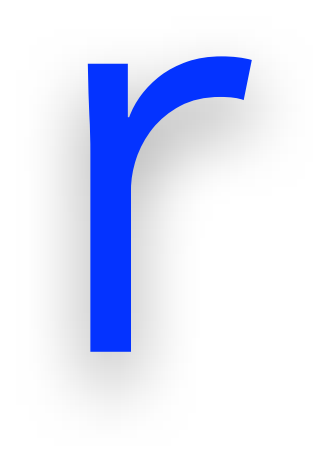

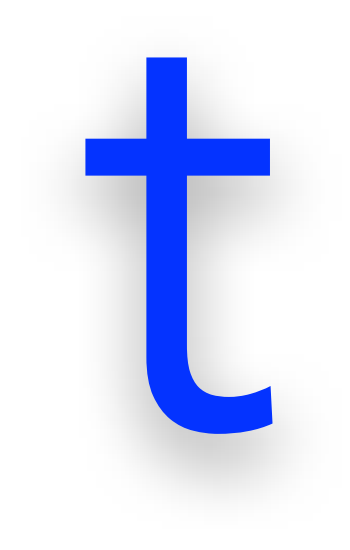

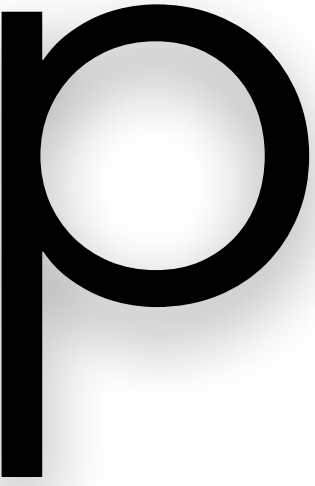

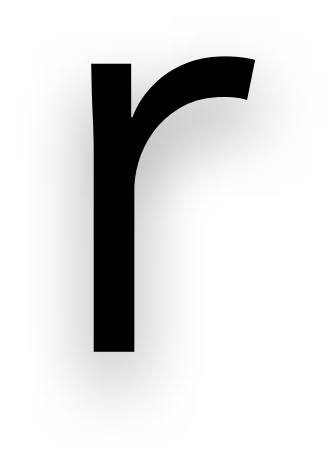

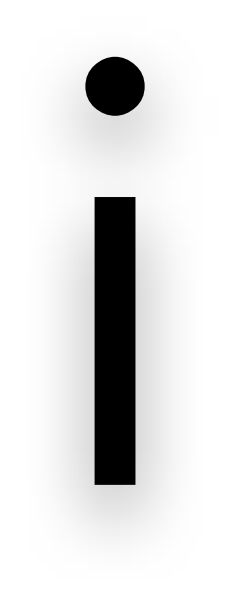

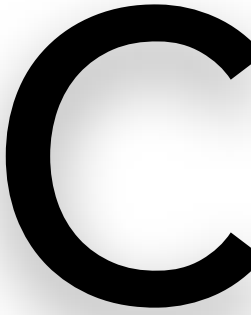

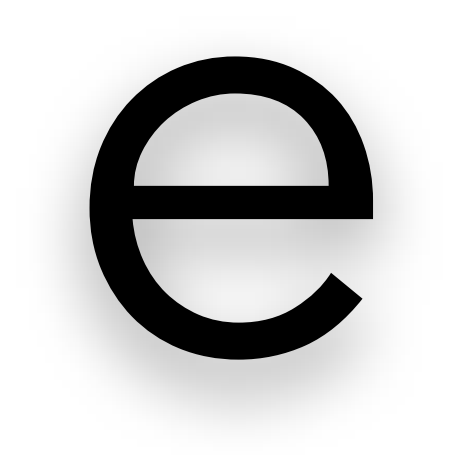

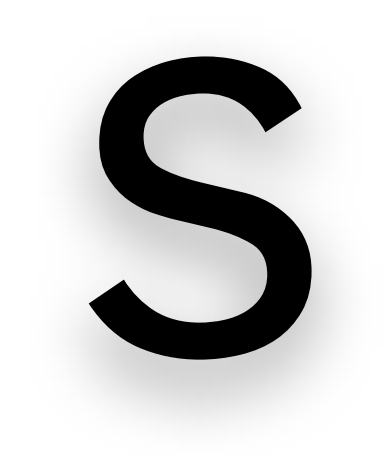


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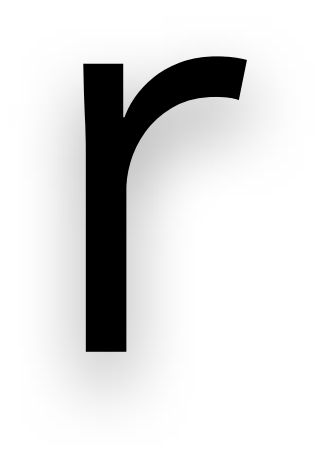

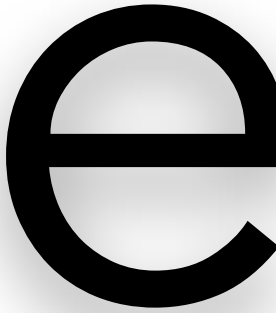

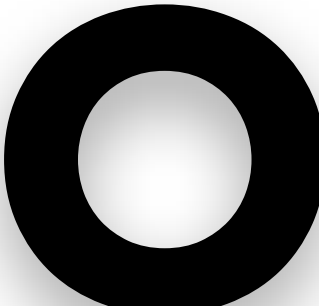

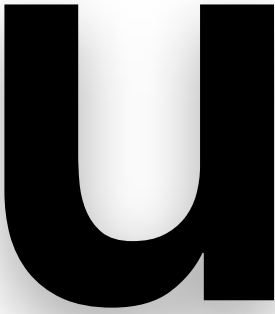

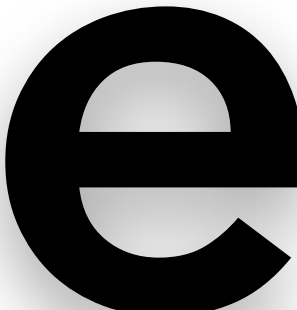

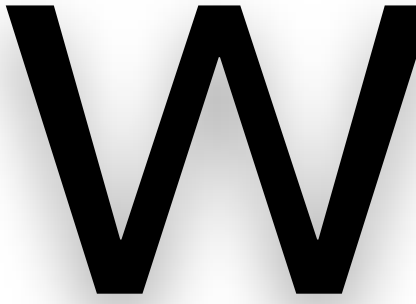

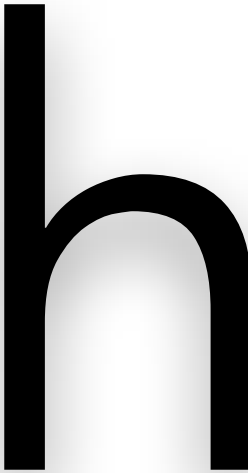


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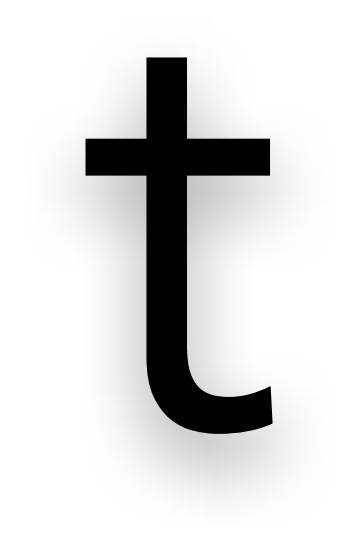

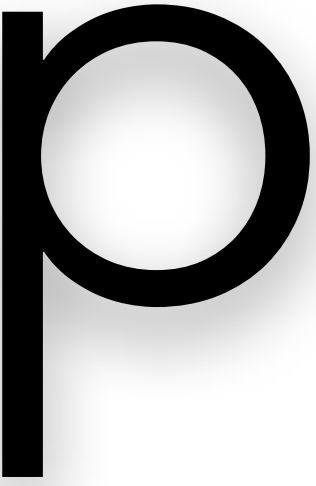

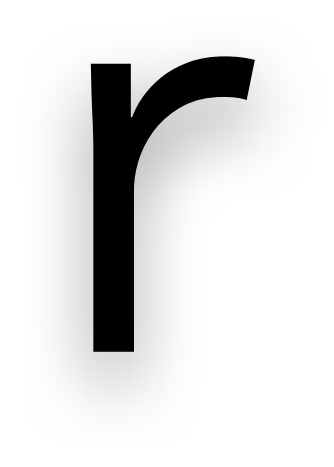

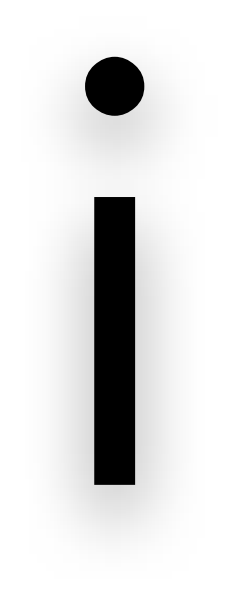

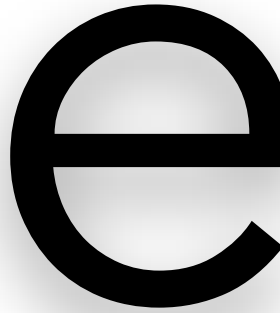

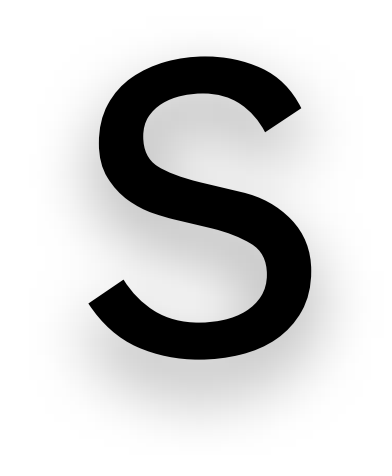

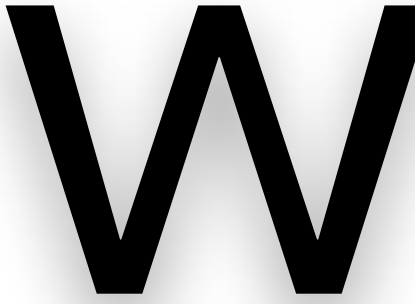

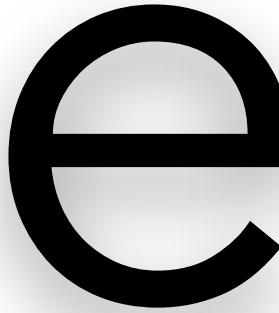

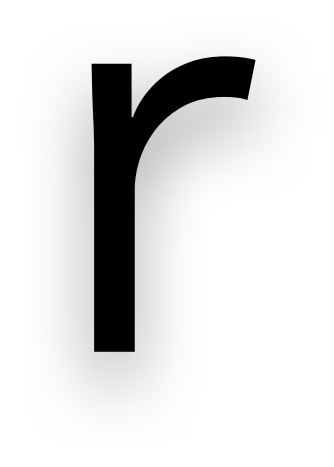

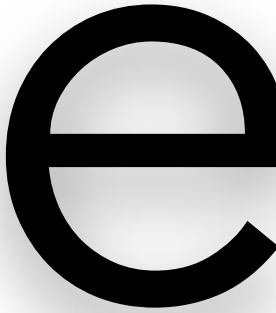

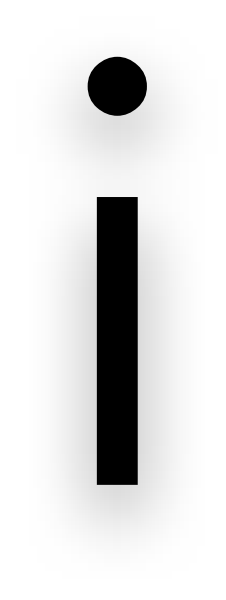

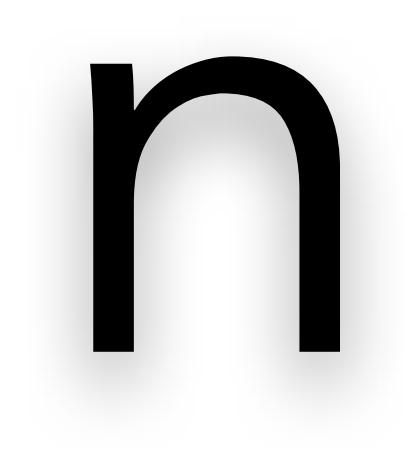

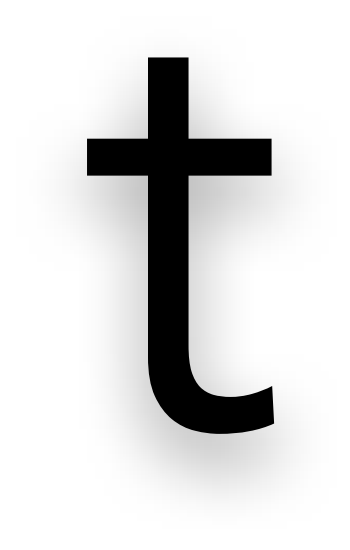

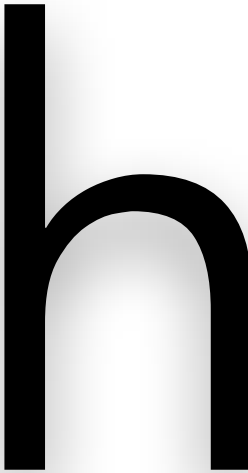

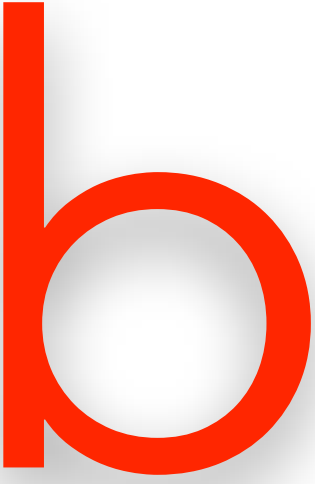


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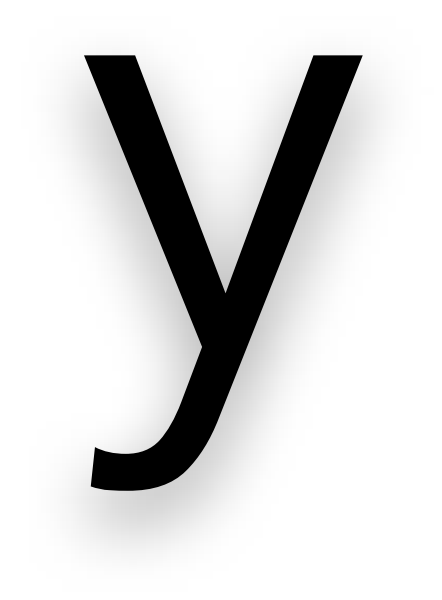

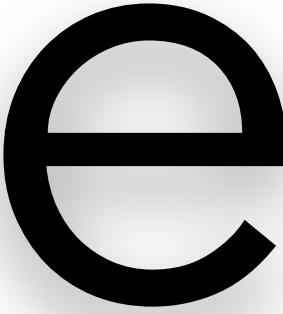

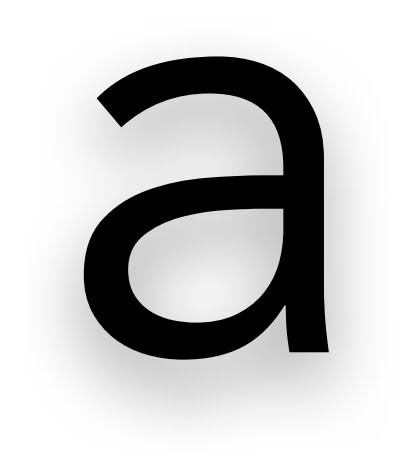
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GDP Deflator=

x100

GDP Deflator for 2019 = 200

Both use the **same** (current) **quantities**

Nominal GDP is larger than Real GDP because current prices are **double** what prices were in the base year

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Nominal GDP is **twice** as large as Real GDP

$$\text{GDP Deflator} = \frac{\text{Nominal GDP}_{2019}}{\text{Real GDP}_{2019}} \times 100 = \frac{\$22{,}000}{\$11{,}000} \times 100 = 2 \times 100$$

GDP Deflator for 2019 = **200**

Nominal GDP is **twice** as large as Real GDP

$$2 \times 100$$