





United States, no internal divisions

# Total Production

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Some goods remain **unsold**...

Not all goods produced are  
purchased by one of these  
four groups

by Consumers, Firms, the Government  
and Other Countries

Goods and  
Services  
purchased by  
Government



Goods and  
Services  
purchased by  
Consumers

Goods and  
Services  
purchased by  
Firms

Goods and Services  
purchased by Other  
Countries

If we only add goods that  
were purchased, we will not  
get the value of total  
production...

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GDP = Total purchases of new final goods

GDP = Total purchases of **new final** goods  
by Consumers, Firms, the Government  
and Other Countries

Some goods remain **unsold**...  
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purchased by one of these  
four groups

If we only add goods that  
were purchased, we will not  
get the value of total  
production...



Total Production

For this reason, we need to modify the definition of **Investment**

Investment