



GDP = Dollar value of new, final goods and services produced

If we use the **actual** prices paid during a given year, we get **Nominal** GDP



GDP at current  
prices

$$\begin{aligned} &= \$P_{\text{rice of apple}}(\text{Quantity of apples}) \\ &+ \$P_{\text{rice of computer}}(\text{Quantity of computers}) \\ &+ \$P_{\text{rice of table}}(\text{Quantity of tables})+ \\ &+ \$P_{\text{rice of lawyer services}}(\text{Hours of lawyer services})+ \dots \end{aligned}$$

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GDP at **current**  
prices

A country produces three goods: X, Y and Z