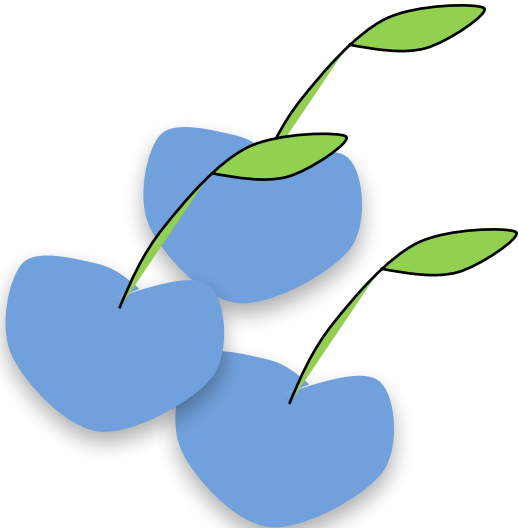
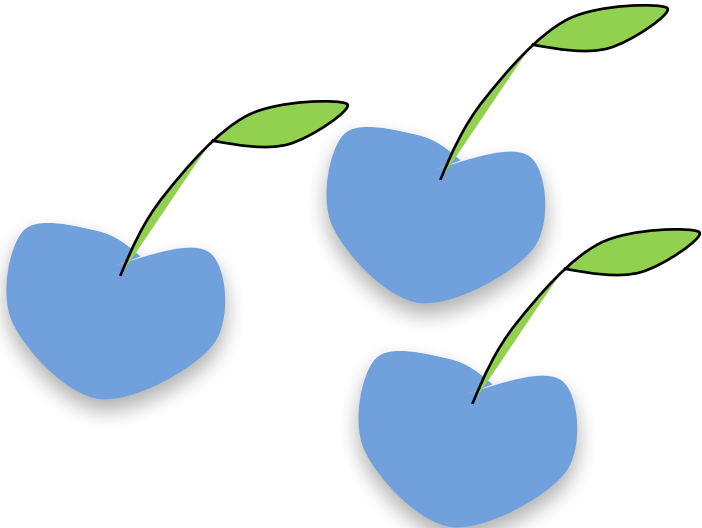


Intermediate vs. Capital Goods



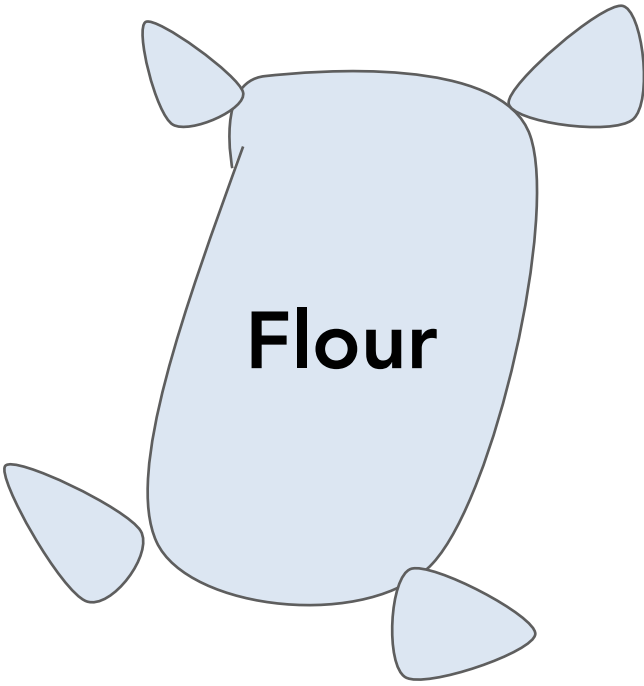


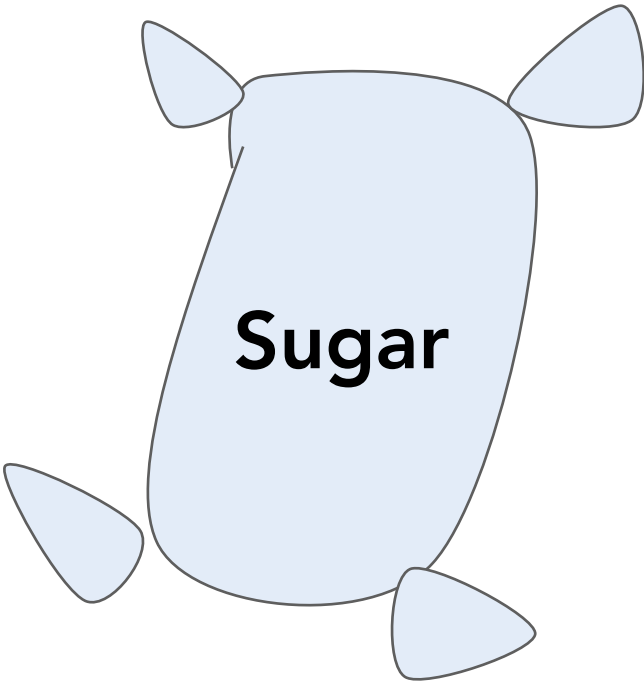


Flour

A light blue cartoon animal, possibly a bear or a dog, is shown from the chest up. It has a large, rounded body and four small, pointed ears. The word "Sugar" is written in a bold, black, sans-serif font across its chest. The animal is positioned centrally on a white background.

Sugar

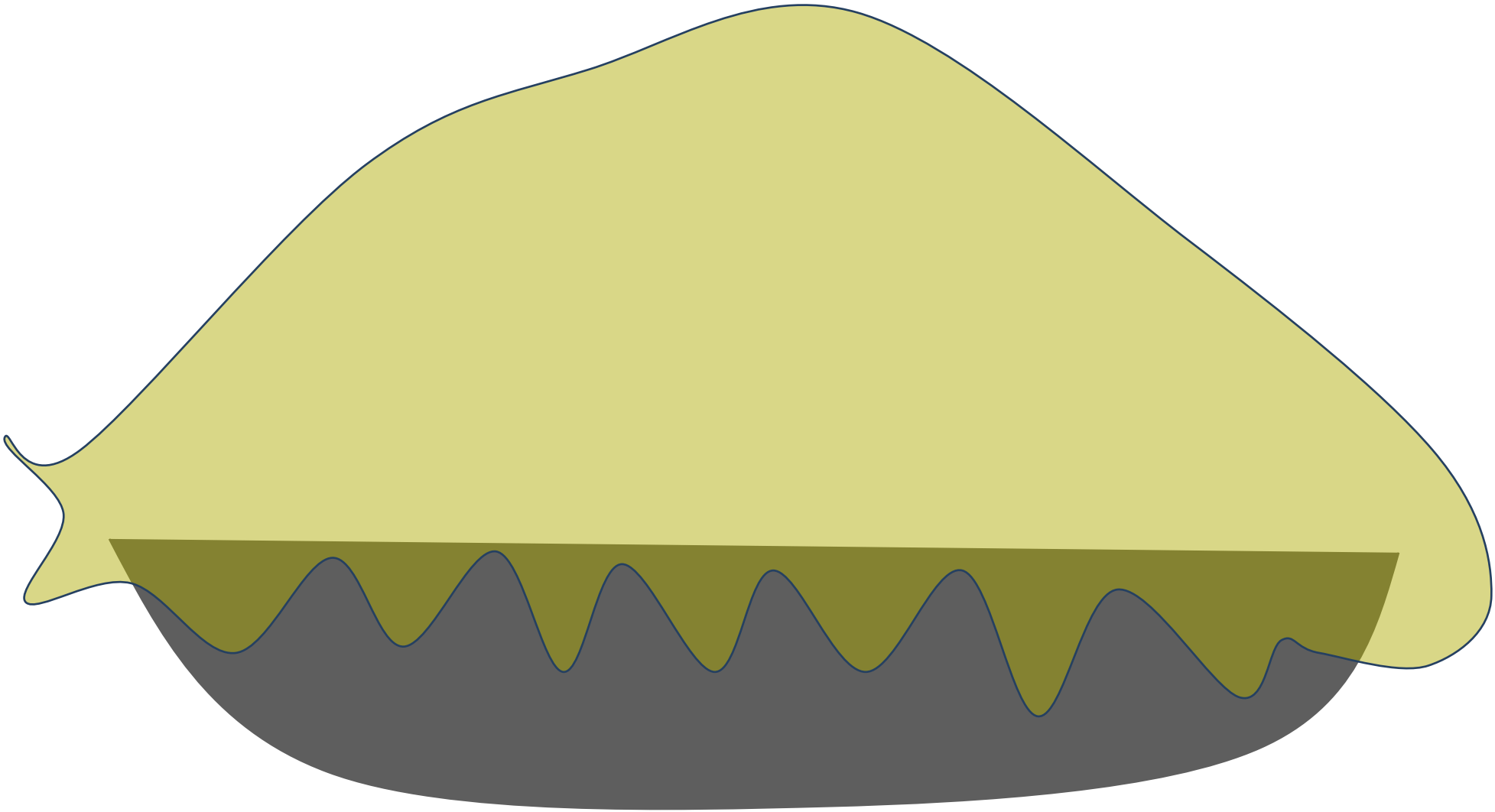




Purchases of new Capital
goods are included into GDP

Purchases of intermediate
goods are not included
into GDP

Depreciation





Depreciation

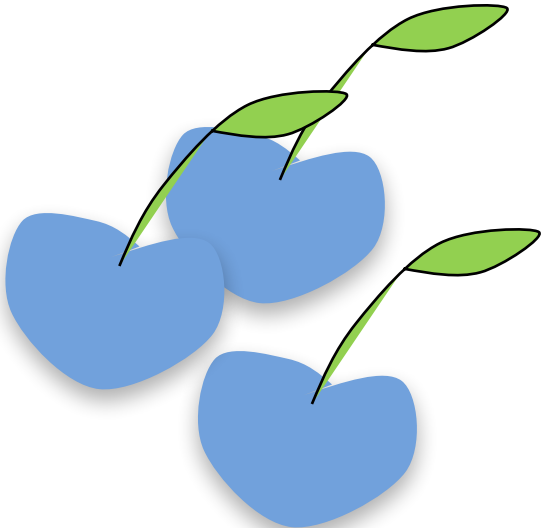


Capital Good

Final Good

Intermediate goods
are completely used
up in the
production of the
Final Good

Capital goods are
only partially
used
(depreciated)
during
production of
Final Goods





A bakery buys sugar,
flour, cherries and a new
oven to make pies for
sale









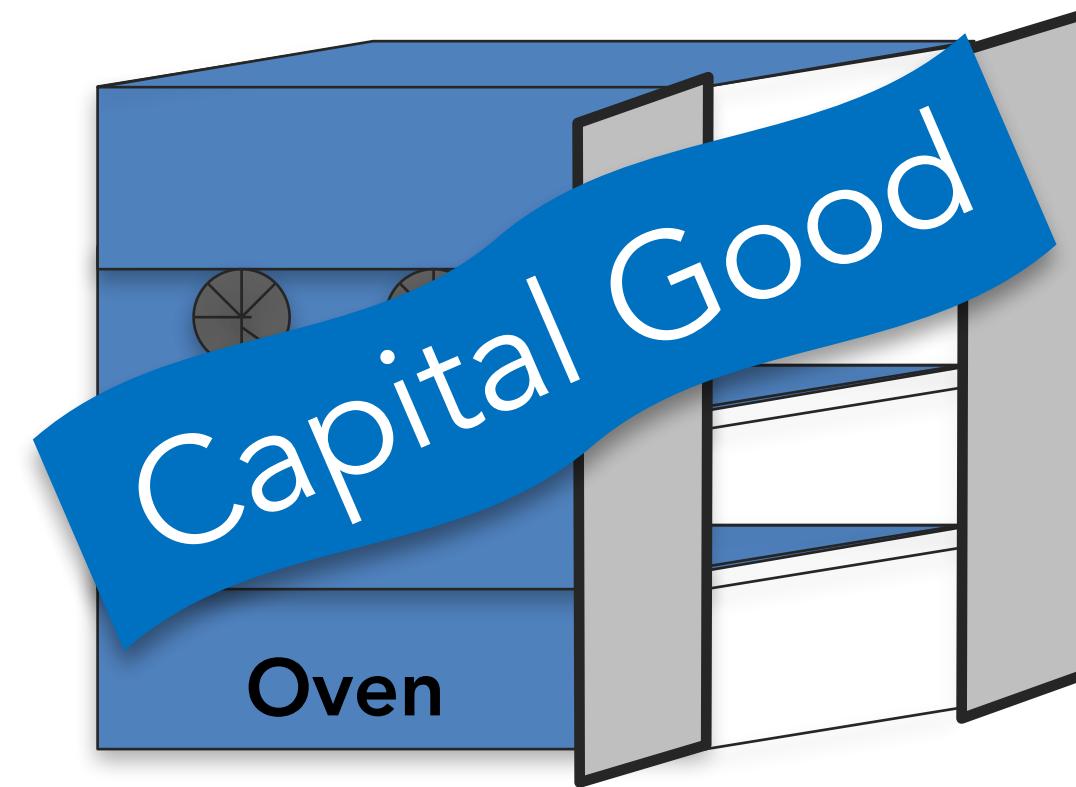
Intermediate
Goods and
Services

Intermediate vs. Capital Goods

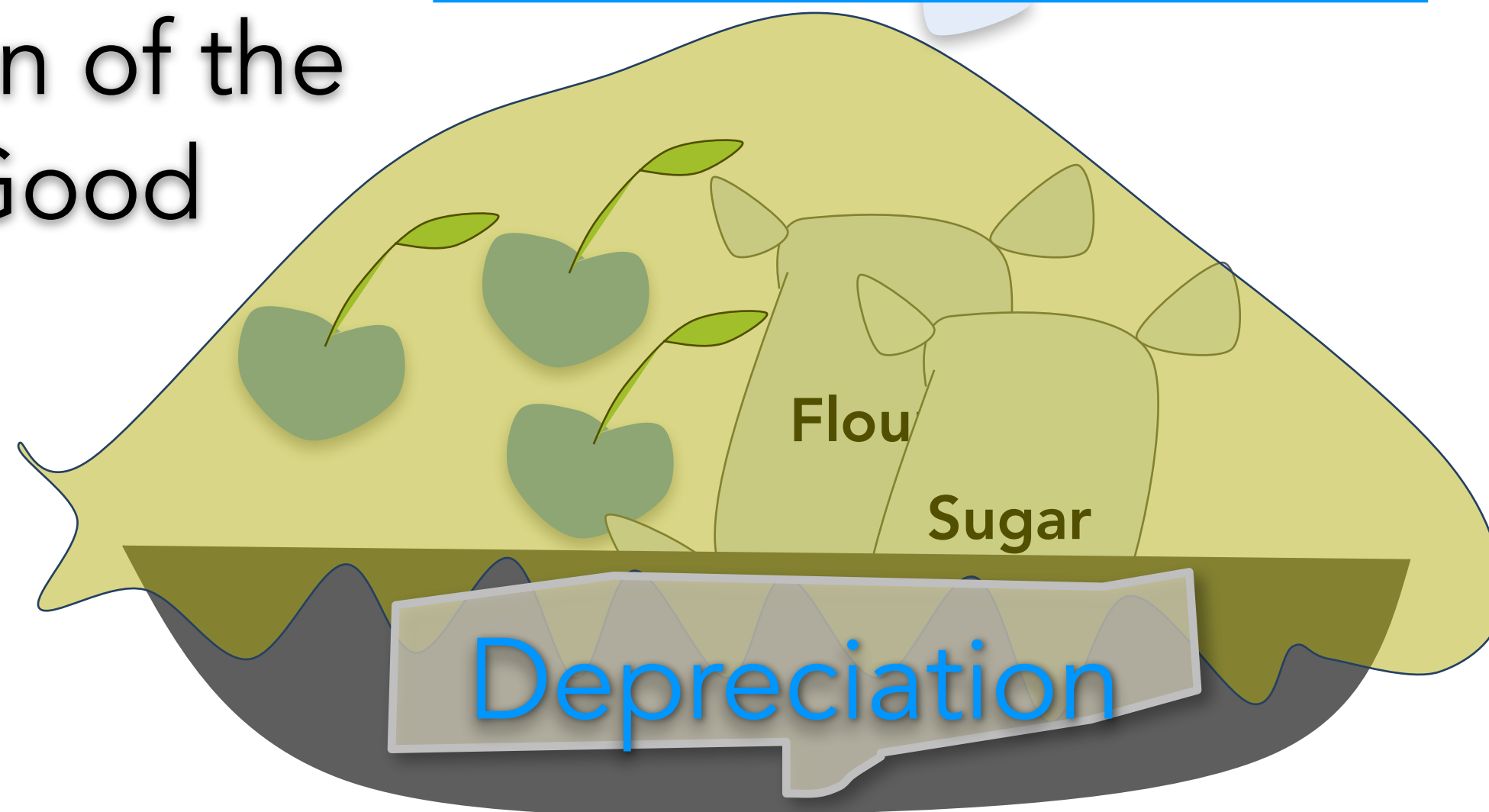
Purchases of intermediate goods are not included into GDP

Purchases of new Capital goods are included into GDP

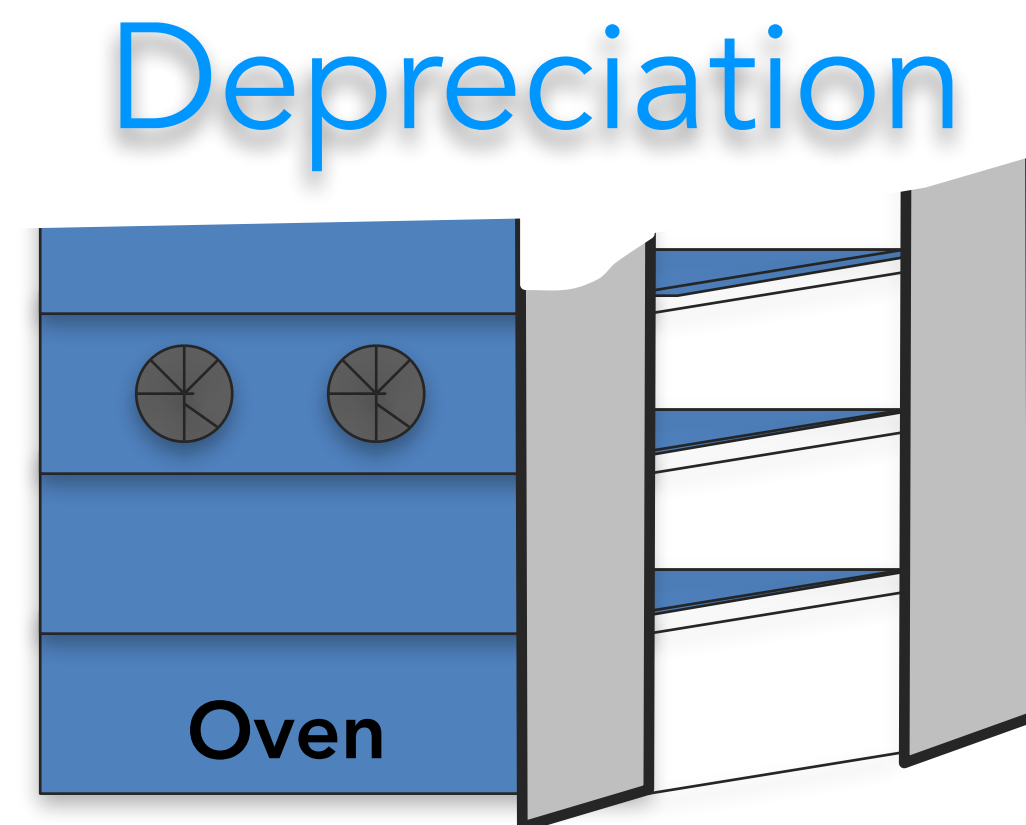
Intermediate goods are completely used up in the production of the Final Good



Capital goods are only partially used (**depreciated**) during production of Final Goods



Final Good



A Capital Good