

To decide whether a good is **intermediate** or a **capital** good, ask the question:

"Does the producer **keep** the good after sale of the final good?"

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Whirlpool

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refrigerator

home.

If the answer is **NO**,

The lawyer no longer has the paper
used to file documents with the court

Burger King no longer has the meat
you ate in your hamburger.

Whirlpool no longer has the steel you
took home as part of your refrigerator

Capital Goods



Intermediate Goods

If the answer is YES,

The lawyer still has the printer
after you pay her fees.

Burger King still has the oven
after you pay for your hamburger

Whirlpool still has the **press** after
you take your refrigerator home.

To decide whether a good is **intermediate** or a **capital** good, ask the question:
“Does the producer **keep** the good after **sale** of the final good?”

If the answer is **YES**,

The lawyer still has the **printer** after you pay her fees.

Burger King still has the **oven** after you pay for your hamburger

Whirlpool still has the **press** after you take your refrigerator home.

Capital Goods

If the answer is **NO**,

The lawyer no longer has the **paper** used to file documents with the court

Burger King no longer has the **meat** you ate in your hamburger.

Whirlpool no longer has the **steel** you took home as part of your refrigerator

Intermediate Goods

GDP

Sum of expenditures on **new, final** goods and services
produced