Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Period: \_\_\_\_\_\_\_\_\_\_

**Components of GDP**

*Directions: Determine if each of the items below would be included in GDP. If they are excluded, explain why.*

|  |  |
| --- | --- |
| **INCLUDED IN GDP**C + G + I + (X-M) = GDP | **NOT INCLUDED IN GDP** |
| Consumer SpendingGovernment SpendingBusiness InvestmentsNet Exports | Intermediate goodsSecond hand salesNonmarket transactionsUnderground economyFinancial transactionsNot sold this year |

|  |  |  |
| --- | --- | --- |
| **Item** | **Included or Excluded?** | **If included, tell what part of GDP and if excluded, give the reason** |
| A stereo produced & sold in the U.S. by a Japanese company |  |  |
| College tuition paid to KSU |  |  |
| Social Security payments |  |  |
| Microsoft stock purchased from Microsoft |  |  |
| The purchase of a 1965 Mustang car |  |  |
| The purchase of a new F-22 plane made in Marietta, GA |  |  |
| The purchase of a U.S. Treasury Bond by an individual |  |  |
| A new factory built by Kia in Atlanta |  |  |
| The sale of a previously occupied house |  |  |
| A television produced, but not sold |  |  |
| Your neighbor paints their own house |  |  |
| A dinner at a restaurant |  |  |
| The $30 Cameron got for mowing a neighbor’s lawn |  |  |
| The sale of $1,000 of crack cocaine |  |  |
| The exchange of neighbors of lawn furniture for baby-sitting hours |  |  |
| The buttons on a sweater you just bought  |  |  |
| A long haul trucker purchasing a new truck because his broke down |  |  |
| The U.S. Government selling 10 Jets to Israel |  |  |