Economics Textbook Chapter 12

1. What is Gross Domestic Product?

The total money value of all final goods and services provided and produced in a nations industries in one year.

2. According to the website https://www.bea.gov/news/2023/gross-domestic-product-third-quarter-2023-advance-estimate, how many times since 2019 has America's GDP been a negative amount?

    4

3. Why do businesses want to sell leftover inventory – even at a loss – at the end of the year?

    it loses value the longer it kept in stock. it takes space for new inventory which is more likely to sell better.

4. What are the four concepts used by economists to figure out the GDP? (select four)

    ● The number of goods produced, multiplied by the price for those goods

    ☐ The total import tariffs from foreign countries

    ● Factoring in only final goods (not intermediary goods)

    ☐ Half the value of goods if some parts are manufactured outside the U.S.

    ● The number of goods manufactured in the past year only

    ● Goods manufactured in the USA only

    ☐ Goods intended for sale in foreign markets.

5. Which category of spending accounts for the most purchases in the U.S.? household expenditures for consumer goods and services.

6. Would a bedroom dresser be considered a durable good? Why?

    Yes. it is meant to last longer then a year.

7. Give an example (not given in the book) of a consumer nondurable good. bread.

8. Go online and find out the GDP for 2022 and write it here: roughly 25.46 trillion U.S. dollars.

9. Give an example (not given in the book) of a transaction for goods or services that would not be included in the GDP (unrecorded transactions).

    financial transactions such as social security payments, cash transfers. volunteer work. Used goods/Second hand goods.

10. What is a trade deficit? When we exported more money then we imported, resulting in a negative balance instead of a positive balance.

11. Do you approve or disapprove of having a trade deficit to a country that doesn't buy much from the USA, but supplies nearly all our coffee, which we cannot produce for ourselves? Why?