GDP: Calculating Real GDP and GDP Growth

ECO 2013 and ECO 201

1. Use data from the following table to answer the following question

<table>
<thead>
<tr>
<th>Quantities Produced</th>
<th>Prices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cheese</td>
<td>Wine</td>
</tr>
<tr>
<td>2001</td>
<td>100</td>
</tr>
<tr>
<td>2002</td>
<td>120</td>
</tr>
</tbody>
</table>

Calculate real GDP for 2001 using prices from 2001. $__________

2. Use data from the following table to answer the following question

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
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</tr>
<tr>
<td>2002</td>
<td>120</td>
</tr>
</tbody>
</table>

Calculate real GDP for 2002 using prices from 2001. $__________

3. Use data from the following table to answer the following question

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Cheese</td>
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</tr>
<tr>
<td>2002</td>
<td>120</td>
</tr>
</tbody>
</table>

Using 2001 prices as the base, by what percent did real GDP grow? __________ %
4. Use data from the following table to answer the following question

<table>
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</tr>
<tr>
<td>2002</td>
<td>120</td>
</tr>
</tbody>
</table>

Calculate real GDP for 2001 using prices from 2002. $_________

5. Use data from the following table to answer the following question

<table>
<thead>
<tr>
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</thead>
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<tr>
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</tr>
<tr>
<td>2002</td>
<td>120</td>
</tr>
</tbody>
</table>

Calculate real GDP for 2002 using prices from 2002. $_________

6. Use data from the following table to answer the following question

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Cheese</td>
<td>Wine</td>
</tr>
<tr>
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</tr>
<tr>
<td>2002</td>
<td>120</td>
</tr>
</tbody>
</table>

Using 2002 prices as the base, by what percent did real GDP grow? _______%

Answers:
1. $5,000 (100 * $10) + (200 * $20)
2. $6,000 (120 * $10) + (240 * $20)
3. 20% (6,000 – 5,000)/5,000
4. $5,200 (100 * $12) + (200 * $20)
5. $6,240 (120 * $12) + (240 * $20)
6. 20% (6,240 – 5,200)/5,200

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