

YouTube Title: (Macro) Episode 20: GDP

Link: http://www.youtube.com/watch?v=yUiU_xRPwMc&noredirect=1

Video Length: 3:51

The Economy Today Chapter 5: National Income Accounting

The Economy Today Learning Objective 5-1: What GDP measures-and what it doesn't

Key Terms: Gross domestic product (GDP), intermediate goods, exports, imports

Summary

This video explains the tool we use to measure a nation's output, GDP.

Economic Application

The video explains how GDP is used as the most comprehensive measure of a nation's output tracking an economy's performance. The video also points out the importance of only counting the value of final goods and services produced.

Multiple-Choice Question

All but which ONE of the following is categorized as major use of total output?

- a) National Defense
- b) Household consumption
- c) Business investment
- d) Government services
- e) Exports

Discussion Question

Why do we exclude intermediate goods from the computation of the GDP?