

EE212 Principles of Macroeconomics, 2/2017 (Sec. 046401 - Sicha)

Problem Sets 2 :

Please submit at the BE office, 5th floor department of Economics building.

Deadline of submission : February 6, 2018, before 15.00 hrs.

Late submission will not be accepted.

1. In your country, which would you want to be bigger, GDP, or GNP? Why? Explain the difference between GDP and GNP. Give one plausible reason why GNP may exceed GDP and one plausible reason why GDP may exceed GNP.

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2. Define GDP and explain why the value of production, income, and expenditure are the same for an economy.

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3. What is final goods? What is intermediate goods? Why do we count only final goods in GDP?

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4. State GDP is a stock variable or a flow variable? Explain reason.

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