

Question 1 Fill in the blanks. You must show your work.

Year	2014	2015
Nominal gross national income (GNI) (\$ billion)	291.53	425.38
Factor income sent abroad (\$ billion)	68.30	75.90
Factor income earned abroad (\$ billion)	8.13	9.49
Nominal gross domestic product (GDP) (\$ billion)	231.36	358.97
GDP deflator	100	100.88
Real GDP (\$ billion)	231.36	355.84

$$GNP_{2015} = GDP + (\text{Factor income sent} - \text{Factor income earned})$$

$$= 358.97 + (75.9 - 9.49) = 425.38$$

$$GDP_{2014} = GNP - (\text{factor income sent} - \text{factor income earned})$$

$$= 291.53 - (68.30 - 8.13) = 231.36$$

$$Real\ GDP_{2014} = \frac{\text{Nominal GDP}}{\text{deflator}} \times 100 = \frac{231.36}{100} \times 100 = 231.36$$

$$Real\ GDP_{2015} = \frac{\text{Nominal GDP}}{\text{deflator}} \times 100 = \frac{358.97}{100.88} \times 100 = 355.84$$

Question 2 Fill in the blanks. You must show your work.

Year	2012	2013	2014	2015
Consumer price index (CPI)	99.08	100.55	102.51	107.52
Inflation rate (%)	-0.92	1.48	1.95	4.89
Employed (millions)	12.50	12.60	12.85	13.05
Unemployed (millions)	0.99	0.71	0.68	0.61
Population (millions)	20.75	21.48	21.82	22.02
Unemployment rate (%)	7.34	5.33	5.03	4.47

$$\text{Inflation rate}_{2014} = \frac{CPI_{2014} - CPI_{2013}}{CPI_{2013}} \times 100 = \frac{102.51 - 100.55}{100.55} \times 100 = 1.95\%$$

$$\text{Inflation rate}_{2015} = \frac{CPI_{2015} - CPI_{2014}}{CPI_{2014}} \times 100 = \frac{107.52 - 102.51}{102.51} \times 100 = 4.89\%$$

$$\text{Unemployment rate}_{2012} = \frac{0.99}{12.5 + 0.99} \times 100 = 7.34\%$$

$$\text{Unemployment rate}_{2013} = \frac{0.71}{12.6 + 0.71} \times 100 = 5.33\%$$