

Question 7 Fill in the blanks. You must show your work.

Year	Nominal GDP (\$ billions)	GDP deflator	Real GDP (\$ billions)	Annual real growth rate (%)	Population	Real GDP per capita (\$)
2014	308.12	98.9	311.55		13 273 644	2.35×10^5
2015	321.99	100	321.99	3.35	13 340 012	2.41×10^5
2016	332.65	102.2	325.49	1.09	13 473 412	2.42×10^5

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

$$\text{Real}_{2016} = \frac{332.65}{102.2} \times 100$$

$$\text{Annual real growth rate} = \frac{\text{New} - \text{old}}{\text{old}} \times 100$$

$$\text{Real GDP} = \frac{\text{Nominal GDP}}{\text{GDP Deflator}} \times 100$$

$$2015 = \frac{321.99 - 311.55}{311.55} \times 100 = 3.35$$

$$\text{Real}_{2014} = \frac{308.12}{98.9} \times 100 = 311.55$$

$$\text{Real GDP per capita} = \frac{\text{Real GDP}}{\text{Pop}}$$

$$2016 = 1.09$$

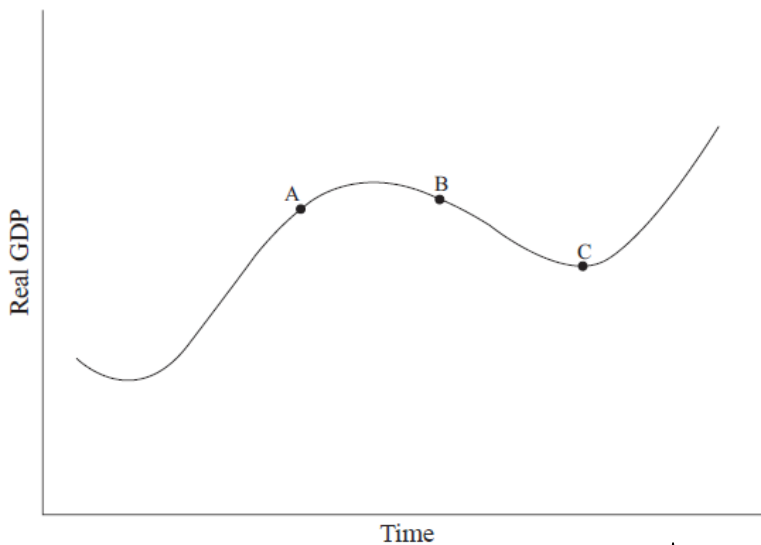
$$R_{2015} = \frac{321.99}{100} \times 100 = 321.99$$

$$R_{2014} = 2.35 \times 10^5$$

$$R_{2015} = 2.41 \times 10^5$$

$$R_{2016} = 2.42 \times 10^5$$

Question 8 Based on the data above, which position – A, B, or C – best describes the economy in 2016? Why?



I think point B because the Real GDP is increase but a little and from graph it like recession like in 2016 they face in flatton because the annual growth rate is decrease and in future it will be though.