Student ID:.....6304641217.....

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		13273644	23470.5
2015	321.99	100	321.99	3.35%	13340012	24137.2
2016	332.65	102.2	325.49	1.09%	13473412	24157.9

Real GDP per capita = Real GDP x 10^9 / population

$GDPD_{2014} = \frac{NGDP_{2014}}{RGDP_{2014}} \times 100$

$98.9 = \frac{308.12}{RGDP_{2014}} \times 100$

$RGDP_{2014} = 311.55$

$GDPD_{2015} = \frac{NGDP_{2015}}{RGDP_{2015}} \times 100$

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

$RGDP_{2015} = 321.99$

$GDPD_{2016} = \frac{NGDP_{2016}}{RGDP_{2016}} \times 100$

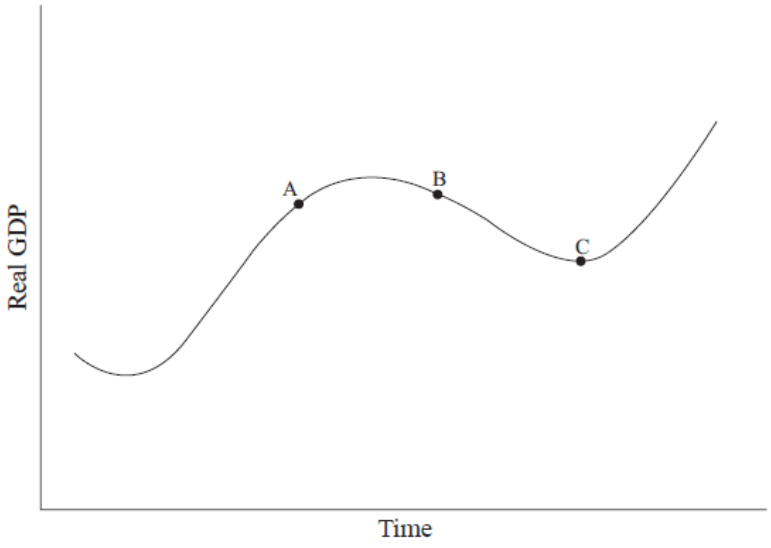
$102.2 = \frac{332.65}{RGDP_{201}} \times 100$

$RGDP_{201} = 325.49$

$\frac{RGDP_{2015} - RGDP_{2014}}{RGDP_{2014}} \times 100 = \frac{321.99 - 311.55}{311.55} \times 100 = 3.35\%$

$\frac{RGDP_{2016} - RGDP_{2015}}{RGDP_{2015}} \times 100 = \frac{325.49 - 321.99}{321.99} \times 100 = 1.09\%$

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



A = Expansion → growing up before peak period

B = Recession → the economy is decline

C = trough → low economy period have high unemployment rate