**Is it Counted in GDP?**

|  |  |  |
| --- | --- | --- |
| Does it count? Write  **Y** or **N** | Which category?  **C, I, G, X,** or **M**  or **Reason #** |  |
|  |  | 1. The Shackett family bought a **new car** to replace Jay’s stupid Saturn. |
|  |  | 1. You and your family **paint your house** (labor involved). |
|  |  | 1. You **marry your housemaid** (“working-for-love”) (her services). |
|  |  | 1. You buy **100 shares of Microsoft** Corporation stock. |
|  |  | 1. You volunteer to **babysit your little sister** to help your parents while they work. |
|  |  | 1. Bob buys a **1965 Ford Mustang** convertible which is in mint condition. |
|  |  | 1. The salesman gets a **commission** (pay) for selling that **1965 Ford Mustang.** |
|  |  | 1. You and your friend **volunteer** to cook at the senior class picnic. |
|  |  | 1. Dr. Smith does $1,000 worth of dental work but reports only $500 of it. Does the **$500 the dentist keeps** and doesn’t report count? |
|  |  | 1. You are given a bag full of **$100 bills** from the sale of **smuggled drugs.** |
|  |  | 1. Your mother is **teaching you to read** (and not having much success). |
|  |  | 1. Your dad **bakes you a home-baked loaf of bread** (his labor). |
|  |  | 1. You **buy a loaf of bread from King Soopers.** |
|  |  | 1. The U.S. **government purchases 5 more B-2 Bombers** for $2 billion each. |
|  |  | 1. Ford buys a **ton of sheet metal used in making car doors.** |
|  |  | 1. You buy a new **pair of shoes** from your favorite store, K-Mart. |
|  |  | 1. You send a $50 check to your dentist for **cleaning your teeth.** |
|  |  | 1. Your family **buys a new house** next to the mansion of Bill Gates. |
|  |  | 1. 100 additional **teachers are hired** by Jeffco Public Schools. |
|  |  | 1. GM invests **$500 million worth of robots** to assemble their cars. |
|  |  | 1. You **volunteer 10 hours a week** of your time to work for senior citizens. |
|  |  | 1. Chevy produces **25,000 new cars** that are **not sold** by the year’s end. |
|  |  | 1. Russians buy **3,000 Apple computers.** |
|  |  | 1. A **housewife** does all the cooking and sewing, working 16 hours/day. |
|  |  | 1. Nike **produces** $10 million worth of **Nike Air Jordan’s in Indonesia.** |

GDP does not include

1. Second hand sales (no current production). (The salesman’s commission does count)
2. Public/private transfer payments (no current production)
3. Purely financial transactions (stocks, bonds, CDs- but broker’s fees do count)
4. Intermediate goods (component of final good)
5. U.S. corporations producing overseas
6. Non-market transactions (household or volunteer work)
7. Illegal business activity (prostitution, murder-for-hire, illegal drugs, etc.)
8. Unreported business activity (“off the books”)

**Is it Counted in GDP?**

|  |  |  |
| --- | --- | --- |
| Does it count? Write  **Y** or **N** | Which category?  **C, I, G, X,** or **M**  or **Reason #** |  |
|  |  | 1. The Shackett family bought a **new car** to replace Jay’s stupid Saturn. |
|  |  | 1. You and your family **paint your house** (labor involved). |
|  |  | 1. You **marry your housemaid** (“working-for-love”) (her services). |
|  |  | 1. You buy **100 shares of Microsoft** Corporation stock. |
|  |  | 1. You volunteer to **babysit your little sister** to help your parents while they work. |
|  |  | 1. Bob buys a **1965 Ford Mustang** convertible which is in mint condition. |
|  |  | 1. The salesman gets a **commission** (pay) for selling that **1965 Ford Mustang.** |
|  |  | 1. You and your friend **volunteer** to cook at the senior class picnic. |
|  |  | 1. Dr. Smith does $1,000 worth of dental work but reports only $500 of it. Does the **$500 the dentist keeps** and doesn’t report count? |
|  |  | 1. You are given a bag full of **$100 bills** from the sale of **smuggled drugs.** |
|  |  | 1. Your mother is **teaching you to read** (and not having much success). |
|  |  | 1. Your dad **bakes you a home-baked loaf of bread** (his labor). |
|  |  | 1. You **buy a loaf of bread from King Soopers.** |
|  |  | 1. The U.S. **government purchases 5 more B-2 Bombers** for $2 billion each. |
|  |  | 1. Ford buys a **ton of sheet metal used in making car doors.** |
|  |  | 1. You buy a new **pair of shoes** from your favorite store, K-Mart. |
|  |  | 1. You send a $50 check to your dentist for **cleaning your teeth.** |
|  |  | 1. Your family **buys a new house** next to the mansion of Bill Gates. |
|  |  | 1. 100 additional **teachers are hired** by Jeffco Public Schools. |
|  |  | 1. GM invests **$500 million worth of robots** to assemble their cars. |
|  |  | 1. You **volunteer 10 hours a week** of your time to work for senior citizens. |
|  |  | 1. Chevy produces **25,000 new cars** that are **not sold** by the year’s end. |
|  |  | 1. Russians buy **3,000 Apple computers.** |
|  |  | 1. A **housewife** does all the cooking and sewing, working 16 hours/day. |
|  |  | 1. Nike **produces** $10 million worth of **Nike Air Jordan’s in Indonesia.** |

GDP does not include

1. Second hand sales (no current production). (The salesman’s commission does count)
2. Public/private transfer payments (no current production)
3. Purely financial transactions (stocks, bonds, CDs- but broker’s fees do count)
4. Intermediate goods (component of final good)
5. U.S. corporations producing overseas
6. Non-market transactions (household or volunteer work)
7. Illegal business activity (prostitution, murder-for-hire, illegal drugs, etc.)
8. Unreported business activity (“off the books”)