**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”)

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