

ECON 202
INTERMEDIATE MACROECONOMICS
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Summer School
Exercise II
Some Concepts and the Measurement

1. (Adapted from Matthias Doepke, 1999) Indicate for each of the following transactions whether they raise GDP or not. If your answer is YES, which component of GDP increases? Distinguish between **personal consumption in durables, nondurables, and services, residential and nonresidential fixed investment, inventory investment, exports, imports, and government expenditures:**

	Transaction	Its Impact
1	The government gives you a welfare check	
2	You pay \$100 to the cook you are employing at home	
3	You just married the cook and give him/her \$100 for personal expenses	
4	You buy software from a software pirate	
5	The government buys an aircraft carrier	
6	You pay an accountant who helped you with your tax Forms	
7	Ford buys tires that are going to be used for producing new cars	
8	Ford builds a new assembly plant	
9	You buy a new Ford	
10	You buy a used Ford from a friend	
11	Apple produces 1000 computers; but does not manage to sell them before the end of the year	
12	You buy an old house	
13	You sell 10 gallons of your home-brewed beer to a friend	