



**Activity #39**

**Two  
Sides of  
GDP**

**Teams**

1. Identify who is the oldest and youngest in your appointment.
2. Below are the national income accounts for 1998. The problem is that they are all mixed up. Beginning with the oldest person, select one item and write it in the proper column below: is it an expenditure item or an income item? Then the youngest person selects an item and places it in the proper column. Repeat until all items are listed. (All amounts in billions of dollars.)

- |                                  |                                     |
|----------------------------------|-------------------------------------|
| <b>Proprietors' income \$784</b> | <b>Wages and salaries \$6081</b>    |
| <b>Consumption \$7513</b>        | <b>Government \$2082</b>            |
| <b>Imports \$1529</b>            | <b>Depreciation \$1421</b>          |
| <b>Rent \$127</b>                | <b>Exports \$1032</b>               |
| <b>Indirect taxes \$821</b>      | <b>Corporate profits \$817</b>      |
| <b>Interest \$703</b>            | <b>Statistical discrepancy \$45</b> |
| <b>Investment \$1611</b>         |                                     |

**Expenditures**

**Income**

<b>Expenditures</b>	<b>Income</b>

3. When you have entered all the numbers, find out if you are correct. Add up the numbers in each column. If expenditures = incomes, explain why they must be equal. If not, brainstorm about which item or items was misplaced. Move it and then recalculate the expenditures and incomes. Repeat until expenditures = incomes.