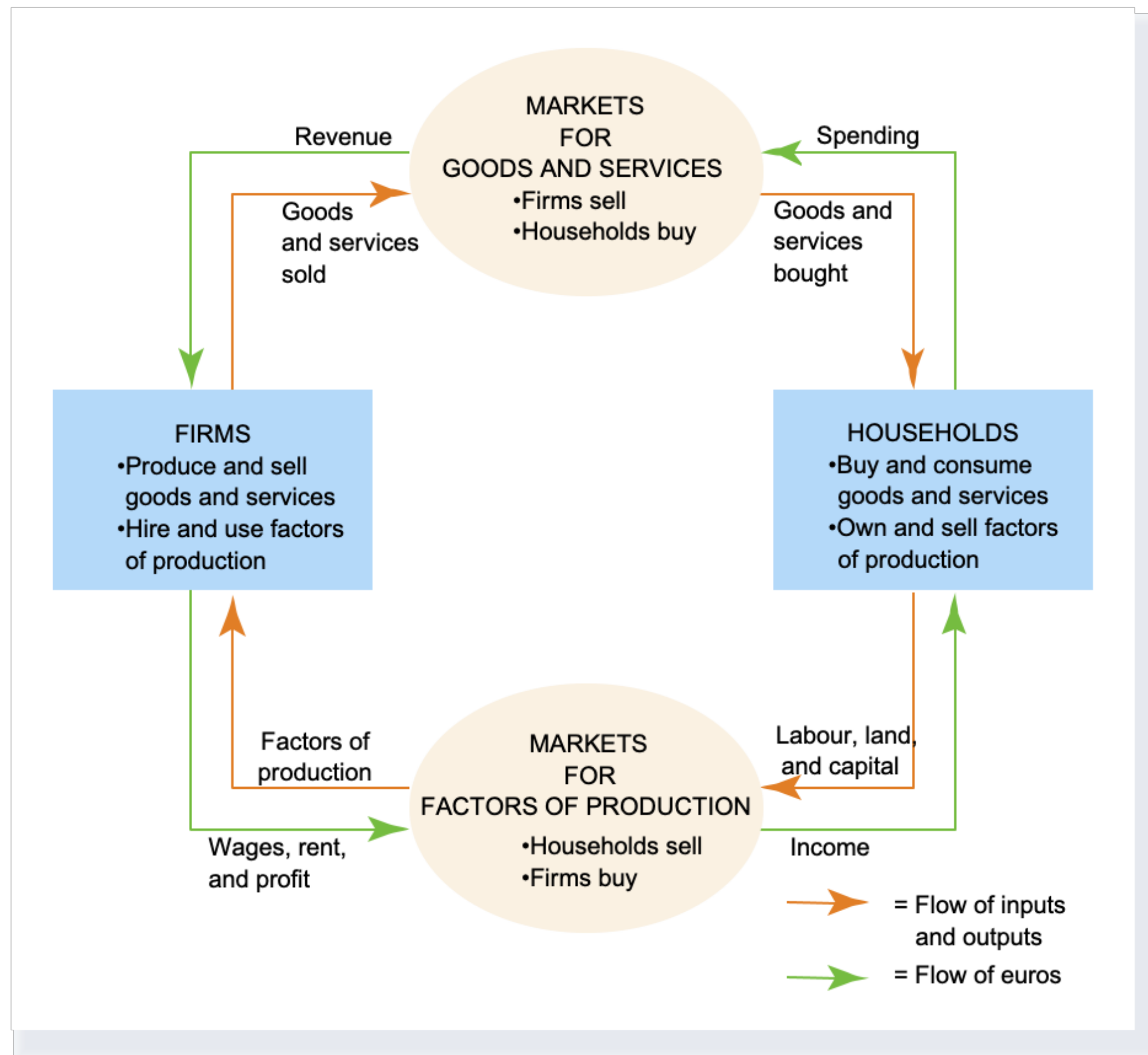


Measurement of GDP

Figure 1 The Circular Flow
Circular flow in the economy



- What is sold is what is produced
- What is produced is what is paid out as income to those who produced it.
- What is income is what is spent in goods (even in savings)
- $expenditure = income = production$
- GDP is also GDI. (and GDE)