Initial capital stock – How much capital we have initially

cars initially $ICS = 20$ cars

2 cars are crushed – D

5 cars are bought – I_g

Final capital stock – 23 cars

$I_n = 3$

✓ Gov-t Purchases (G) – spending by gov-t on goods & services

✓ Net Export (X_n) — Export – Import

sell abroad

buy abroad from

$$GDP = C + I_g + G + X_n = C + D + I_n + G + X_n$$

Income Approach

Mcconnell

✓ Compensation of employees (wages) } H

✓ Rent

✓ Proprietoris Income

✓ Interest

✓ Corporate Profits } B

a) Corporate Income tax

b) Dividents

c) undistributed Corp. profits

✓ Taxes on production & import – G

✓ Depretiation

Parkin

H } · Compensation of Employees

· Rental Income

· Net interest (interest on deposit – – interest on loan)

· Proprietoris Income

B – · Corporate profits – B

G · Indirect taxes less subsidies

· Depretiation

· statistical discrepancy