

Initial capital stock - How much capital we have initially

Cars initially $ICS = 20$ cars

2 cars are crashed - 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

Parkin

- Preview from Notesale.co.uk
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- | | | |
|------------------------------------|---------|---|
| ✓ Compensation of employees | { H H } | • Compensation of employees |
| ✓ Rent | | • Rental Income |
| ✓ Proprietor's Income | | • Net interest (interest on deposit - interest on loan) |
| ✓ Interest | | • Proprietor's Income |
| ✓ Corporate Profits | { B B } | • Corporate profits - B |
| a) Corporate Income tax | | • Indirect taxes less subsidies |
| b) Dividends | | |
| c) Undistributed corp. profits | | • Depreciation |
| ✓ Taxes on production & import - G | | • Statistical discrepancy |
| ✓ Depreciation | | |