Wilf Csaplar Jr.   Economics 202   Homework #5   **Due Friday 10/2 by 10:00 AM**

Do NOT write your name anywhere. (Canvas will tell me who turned in the assignment.) All answers must be typed, except for mathematics and graphs. Take pictures of your written answers and use your own software or https://pdfcandy.com/ to create a single PDF size A4. (pdfcandy.com will convert many file types to PDF, resize PDF, merge PDF and many other things for free.   However, Apple phones may require using CamScanner before using pdfcandy.com.) Failure to follow these directions will cost you 10 points.

1) (10 points each) Tell me how much GDP goes up. Which part of GDP is affected. Explain why you chose that part of GDP. If you said all or some of the expenditure is not part of GDP, then explain why that is the case. **Answer each part in separate paragraphs.**
A) You bought new computer for $800.
B) You bought a new shirt for $40 directly from a Chinese company selling on Amazon.com.
C) I pay you $80 to mow my lawn.
D) I am spending about $80,000 to have the foundation of my house repaired.
E) Your grandparents get a Social Security check for $500.
F) You buy $1000 worth of Amazon.com stock because you think they will make a lot of money. There is a $10 commission on the transaction.

2) (30 points) Use the following data to calculate GDP, NDP, NI, PI, and DPI. If you need some data not given, assume it is zero. Consumers spent $1000. Firms added $300 worth of new buildings. The government spent $500 on salaries and $200 on Social Security payments. We exported $250 worth of goods and imported $350 worth of goods. Machines wore out by $50. Businesses paid $20 worth of profit taxes and $120 worth of sales tax. People pay $400 in income tax. Write out the equation for each calculation then rewrite it with the numbers in it. Then give me the total.

3) (10 points) Explain how we use PPP to compare real GDP per capita across countries.