

at the production level price

price at the market + indirect taxes – subsidies

GDP at factor cost

GDP at market price

Goods and services produced within the territory of a country for specific time period called GDP.

GDP – Depreciation

Green GDP

Gross Domestic Product (GDP)

Net Domestic Product (NDP)

when we adjust environmental damage with GDP we get 'Green GDP'.

GDP measurement methods

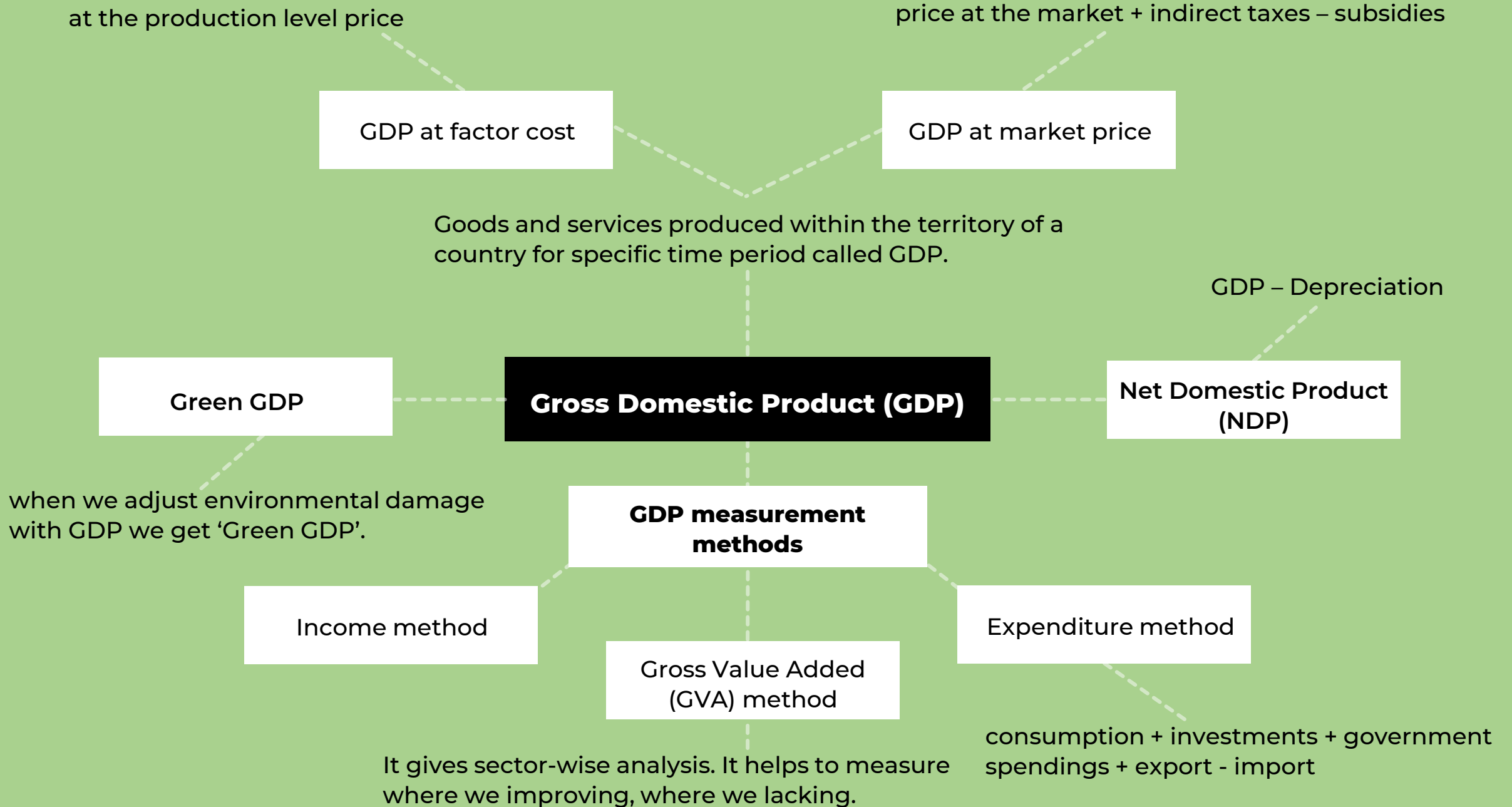
Income method

Expenditure method

Gross Value Added (GVA) method

It gives sector-wise analysis. It helps to measure where we improving, where we lacking.

consumption + investments + government spendings + export - import



GDP of a country + income from abroad called GNP.

Gross National Product (GNP)

GDP of a country + income from abroad – depreciation called NNP.

Net National Product

Other important concepts

GDP Deflator

it is a ratio between GDP at current price & GDP at constant price.

Inflation

Inflation is the rise in general level of prices of goods and services in an economy over a period of time

Deflation

Deflation occurs when inflation rate falls below zero

Reflation

when economy crosses cycle of recession, government take decisions to revive it.

government spending is more than the national income.

Inflationary Gap

government spending is less than the national income.

Deflationary Gap

Is a situation of a rising cost of living (inflation) coupled with falling of asset prices.

Skewflation

Other important concepts

Is a situation when inflation is high, unemployment is high and growth is low called 'stagflation.'

Stagflation

Inflation spiral

Inflation push wages up and wages pull inflation upward is called inflation spiral.

Deflation spiral

decreases in the price level lead to lower production, which leads to lower wages and demand, which leads to further decreases in the price level.

