



TEACHER RESOURCES: HIGH SCHOOL

ASSIGNMENT

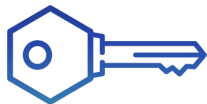
SPLITTING GDP

Grade level: 9 - 12

Relevant standards

CEE National Standards: 18 - Economic Fluctuations

AP Macroeconomics Standards: Unit II - Measure of Economic Performance



[Request Answer Key](#)



This assignment is a short quiz that can be assigned in class or for homework. It is intended to have students apply their understanding of the national expenditures approach. It is included in our three-lesson long [GDP Lesson Plan](#).

OBJECTIVE

Students use their knowledge of the expenditure approach to classify expenses under consumption, investment, government spending, or net exports. Students also predict the overall effect of economic exchanges on GDP.

DIRECTIONS

For each transaction, students should circle the relevant category of GDP (C, I, G, or NX) affected and draw an up or down arrow to indicate whether the category has increased or decreased. Students should then indicate whether the overall GDP of the country has increased, decreased, or remains unchanged. If prices are given, students should indicate by how much GDP increases or decreases.

1. Households in the U.S. go on a binge of buying and eating U.S.-produced popcorn.

USA: C I G NX Overall Change: _____

2. Ronald, who is a US citizen living in Delaware, buys a new car in Newark, DE which was built by a firm based in Mexico.

USA: C I G NX Overall Change: _____

Mexico: C I G NX Overall Change: _____

3. Maple Leaf Steel Corporation (a Canadian company) purchases \$10 million worth of machinery for its factory. Assume the machinery was produced in Germany.

Canada: C I G NX Overall Change: _____

Germany: C I G NX Overall Change: _____

4. The city of Omaha, NE purchases a new, German-made bus for \$150,000.

USA: C I G NX Overall Change: _____

Germany: C I G NX Overall Change: _____

5. Ohio State University, a public school, builds a new library for \$20 million.

USA: C I G NX Overall Change: _____

6. Aunt Jane buys a new home in Ann Arbor, MI in this year for \$600,000. The home was built this year, using \$40,000 worth of bricks produced in Canada this year.

USA: C I G NX Overall Change: _____

Canada: C I G NX Overall Change: _____

7. You sell a book you bought for \$30 dollars to another student for \$20.

USA: C I G NX Overall Change: _____

8. Rhonda gets a \$60 massage at her local spa.

USA: C I G NX Overall Change: _____

9. A Parisian school purchases textbooks produced in Texas for its English language program.

USA: C I G NX Overall Change: _____

France: C I G NX Overall Change: _____

10. You use \$7 worth of office supplies you have lying around to make a homemade calendar for your personal use.

USA: C I G NX Overall Change: _____

11. Isaiah, who lives in Chicago, commissions market research for his business. He hires two contractors who split the work evenly. He pays them \$4000. One of the contractors lives in San Diego, CA, the other in St. Petersburg, Russia.

USA: C I G NX Overall Change: _____

Russia: C I G NX Overall Change: _____

12. Elaine pays a designer a \$3000 flat fee for making a website for her startup.

USA: C I G NX Overall Change: _____

13. Selma orders \$32 worth of takeout and tips her delivery person \$6.

USA: C I G NX Overall Change: _____

14. You buy a \$100 outfit in the U.S. that was made half in Panama and half in Brazil.

USA: C I G NX Overall Change: _____

Brazil: C I G NX Overall Change: _____

Panama: C I G NX Overall Change: _____

15. Zoe buys a newly discovered Picasso painting, originally painted in Madrid in 1928, at an auction in New York.

USA: C I G NX Overall Change: _____

Spain: C I G NX

Overall Change: _____

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