

Worksheet: Review of Basics, plus NIPA and BOP Accounting

Part 1: Review of Basic Concepts

Find accurate definitions for each term. First try Feenstra-Taylor, then your principles text or similar. We'll use class time to get started. Finish it on your own. (Do not hand in, this is just for review.)

Personal consumption expenditures ("consumption"):

Gross domestic private investment ("investment"):

Government consumption expenditures and gross investment ("government spending"):

Gross Domestic Product:

Value-added:

Factors of production (aka "factor inputs" or just "inputs"):

Capital (the factor of production, not the financial definition of capital):

Factor services:

Factor income:

Intermediate goods (aka intermediate inputs):

National saving (verbal definition and equation):

Private (aka household) saving (verbal definition and equation):

Government (aka public) saving (verbal definition and equation):

Government budget surplus or deficit (verbal definition & equation):

Assets, Liabilities, and Net Worth:

Part 2: NIPA and BOP Accounting

Use the following data to answer the questions below. The home country is the U.S.

U.S. consumers spend 6000 on domestically-produced and 1000 on imported g & s.

U.S. firms spend 1500 on domestically-produced and 500 on imported capital goods.

The U.S. govt spends 2000 on domestically-produced and 200 on imported g & s.

The U.S. govt collects 2000 of tax revenue from U.S. citizen-residents, and 0 from other parties.

ROW (the rest of the world) spends 1000 on U.S.-produced g & s.

U.S.-owned factors working in ROW earn 1000. ROW-owned factors working in the U.S. earn 500.

The U.S. receives 100 in unilateral transfers from ROW, and makes 500 in unilateral transfers to ROW.

Calculate each of the following:

C =

I =

G =

Gross National Expenditure GNE =

IM (imports) =

TB (trade balance, net exports) =

Gross Domestic Product GDP =

Total income earned by U.S.-owned factors working in the U.S. =

Gross National Income GNI =

Net Factor Income From Abroad NFIA =

NUT = Net Unilateral Transfers (coming into the U.S.) =

Gross National Disposal Income = GNDI (or "Y") =

Current Account CA =

National Saving S =

Private Saving S_p =

Government Saving S_g =

Compute $S_p + S_g - I$ =