

Examrace

GNP and NNP. Formulas and Details

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- GNP defined as aggregate market value of all final goods and services produced during a year.
- Measures only market value
- Double counting has to be avoided
- Includes the market value of final goods only
- Final goods are those which ready to use and not for resale or further processing.
- Intermediate goods are those goods which are purchased for further use.
- Why including value of final goods and of intermediate goods?

GNP at Market Price Obtained by Adding Up

- Personal consumption expenditure
- Gross domestic private investments
- Net foreign investment
- Government purchases
- $GNP = C + I + G + (X-M) + (R-P)$

NNP: Net National Product/National Income at Market Prices

- Gross national product- depreciation

Refer

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