IB Economics: www.IBDeconomics.com

2.3 CALCULATIONS OF GDP HL: EXAM PRACTICE QUESTIONS

Answer the questions that follow.

1. IB ECONOMICS HL PAPER 3 EXAMINATION QUESTIONS

Question One   **[25 marks]**

The following are data from the national income accounts of the country of Candyland for 2016

2016 National income data for Candyland ($ billions)	
Investment spending	260.8
Net income from abroad	- 38.0
Government spending	245.6
Income sent abroad	161.3
Exports of goods and services	110.8
Consumption spending	812.4
Income from abroad	123.3
Imports of goods and services	95.7
Green GDP	555.9

a. Calculate Candyland's 2016 gross domestic product (GDP).   **[3 marks]**

b.   Calculate Candyland's 2016 gross national income (GNI).   **[1 mark]**

c.   Identify **one** factor accounting for the difference in value of Candyland's GNI and GDP.

[2 marks]

d.   In 2016, Candyland's population was 38.25 million. For 2016, calculate Candyland's GDP per capita **and** GNI per capita.   **[2 marks]**

e.   Outline **two** possible factors accounting for the difference between Candyland's GDP and its green GDP.   **[2 marks]**

The following national income data are from Lollipopland's national accounts.

Year	Nominal GDP	Real GDP	Rate of inflation	GDP deflator
2013	$3 230 b		-	100
2014	$3 283b		2.1%	
2015	$3 712 b		1.7%	
2016	$3 685 b		-2.1%	
2017	$3 994 b		-1.1%	

f.   Distinguish between nominal GDP and real GDP.   **[3 marks]**

g.   Identify the base year.   **[1 mark]**

h.   Calculate real GDP for 2013, 2014, 2015, 2016 **and** 2017.   **[4 marks]**

i.   Calculate the rate of growth in real GDP for 2014 **and** 2015 **and** total real GDP growth from 2013-2017.   **[3 marks]**

j.   For 2016, explain why the fall in nominal GDP was accompanied by an increase in real GDP.

[2 marks]

k.   Identify a year in which a decrease in real GDP occurred **and** a year in which a decrease in real GDP growth occurred.   **[2 marks]**

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