

Answer on question #59587 -Economics - Macroeconomics

Calculating CPI, real, and per capita terms.

Year	2000	2001	2002
Data (CPI)	847	902	911
GDP real (\$B)	562	607	619
Pop (m)	183	201	232

Calculate nominal per capita GDP for 2002.

Solution

Nominal per capita GDP for 2002 will be calculated the following formula:

$$\text{Nominal per capita GDP}_{2002} = \frac{\text{Nominal GDP}_{2002}}{\text{POP}_{2002}}$$

Where

$$\text{Nominal GDP}_{2002} = \frac{\text{CPI}_{2002}}{\text{CPI}_{2000}} * \text{Real GDP}_{2002}$$

$$\text{POP}_{2002} = \text{population for 2002}$$

$$\text{Nominal GDP}_{2002} = \frac{911}{847} * 619 = 665,77 (\$B)$$

$$\text{Nominal per capita GDP for 2002} = \frac{665,77(\$B)}{232(M)} = 2,87(\$ \text{ thousand per person})$$

The nominal per capita GDP for 2002 is \$2870 per person.

Answer

The nominal per capita GDP for 2002 equals \$2870 per person.