Name ____________ Date ____________ Class ____________

GUIDED READING Activity 13-1

For use with textbook pages 341–348

MEASURING THE NATION'S OUTPUT

RECALLING THE FACTS

Directions: *Use the information in your textbook to answer the questions. Use another sheet of paper if necessary.*

1. What things may be excluded from GDP? In each case, give a brief explanation of why.

a. ____________

b. ____________

c. ____________

d. ____________

2. List the five measures of national income.

a. ____________

b. ____________

c. ____________

d. ____________

e. ____________

3. What are the four sectors of the economy? Explain each one briefly.

a. ____________

b. ____________

c. ____________

d. ____________

4. What is the output-expenditure model?

____

Name ______________________ Date ______________ Class ______________________

GUIDED READING Activity 13-2

For use with textbook pages 350–354

GDP AND CHANGES IN THE PRICE LEVEL

FILLING IN THE BLANKS

***Directions:** Use your textbook to fill in the blanks using the words in the box. Some words may be used more than once. Use another sheet of paper if necessary.*

real GDP	market basket	current GDP
price index	base year	consumer price index
producer price index	GDP in constant dollars	implicit GDP price deflator
	inflation	

Introduction/Constructing a Price Index

The government works hard to gather data on a rise in the general price level, or **1** ______________________, because it can distort economic statistics. To remove the distortions of inflation, economists construct a **2** ______________________, a statistical series that can be used to measure changes in prices over time. Select a year that serves as the basis of comparison for all other years. This year is called the **3** ______________________. The **4** ______________________ expresses the price of consumer goods in a given year as a percentage of the price of those goods during the base year. Next select the **5** ______________________—a representative selection of goods and services—and record the price of each item in it. Assign a value of 100 percent for the total of all the items.

Major Price Indices

The major price indices include the **6** ______________________ which reports on price changes for about 90,000 items in 364 categories. The **7** ______________________ is a measure of price changes received by domestic producers for their output. It is based on a sample of about 3,000 commodities and uses 1982 as the **8** ______________________. The **9** ______________________ is an index of the average level of prices for all goods and services in the economy.

Real vs. Current GDP

When GDP is not adjusted to remove inflation it is called **10** ______________________, or simply GDP. When the distortions of inflation have been removed, it is called **11** ______________________ or **12** ______________________.

Name ______________________ Date ______________ Class ______________

GUIDED READING Activity 13-3

For use with textbook pages 356–361

GDP AND POPULATION

OUTLINING

***Directions:** Locate the following headings in your textbook. Then use the information under the headings to help you write each answer. Use another sheet of paper if necessary.*

I. Population in the United States

A. Introduction—Why does the government periodically take a census?

____

B. Counting the Population—What are the two classifications of population?

____

C. Historical Growth—What has been the trend in the rate of population growth since colonial times?

____

D. Regional Change—Which parts of the country are growing in population and which are showing losses?

____

II. Projected Population Trends

A. Introduction—How do businesses use what they learn about population trends?

____

B. Factors Affecting Population Growth—What are the three most important factors affecting the rate of population growth?

____

____

____

C. Projections by Age and Gender

1. What is the population pyramid?

____

2. What is the dependency ratio?

____

D. Projections by Race and Ethnic Origin

1. What group currently is the largest component in the total population?

____

2. What other racial/ethnic groups make up the total population?

____

Name ____________________ Date ____________________ Class ____________________

GUIDED READING Activity 13-4

For use with textbook pages 363–368

ECONOMIC GROWTH

FILLING IN THE BLANKS

***Directions:** Use your textbook to fill in the blanks using the words in the box. Some words may be used more than once. Use another sheet of paper if necessary.*

real GDP per capita	capital-to-labor ratio	real GDP
tax base	growth triangle	standard of living
short term	renewable resources	labor productivity
economic need	long-term	market economies

Introduction/Economic Growth in the United States

There are two methods of measuring economic growth. When we measure it in the **1** ____________________ a period of one to five years—we use **2** ____________________, or GDP adjusted to remove the distortions of inflation. When it comes to the long run, however, we need to use **3** ____________________ on the dollar amount of real GDP produced on a per person basis. Most economists agree that real GDP per capita is a better measure of **4** ____________________ growth because it adjusts for changes in both inflation and population. Another way to examine growth is with a **5** ____________________, a table that shows annual compound rates of growth between selected periods of time.

Importance of Economic Growth

When real per capita output increases, it allows people to raise their **6** ____________________, the quality of life based on the possession of necessities and luxuries that make life easier. Economic growth benefits government at all levels because it enlarges the **7** ____________________—the incomes and properties that may be taxed. It also can reduce social ills in this country that stem from **8** ____________________, such as inadequate medical care, inequality of opportunity, and economic insecurity. Successful economic growth in the United States may also help **9** ____________________ in other nations.

Factors Influencing Economic Growth

In using its factors of production, such as land, the United States must be concerned with dwindling resources, only some of which are **10** ____________________ that can be replenished for future use. High-quality capital favors overall economic growth because it improves the **11** ____________________, which economists obtain by dividing the total capital stock by the number of workers in the labor force. A high capital-to-labor ratio enables individual workers to produce more than they could otherwise. Without entrepreneurs, economic growth is likely to be slow.

Productivity and Growth

The official measure of productivity is **12** ____________________—the ratio of output produced per unit of labor input. Productivity goes up when this ratio goes up and down when it goes down. If productivity goes down, the entire economy suffers.