NAME: _____

The information below is for a 2 good economy, and it shows production and prices for three consecutive years. (40 pts)

Good	Q1	P1	Q1P1	Q2	P2	Q2P2	Q1P2	Q3	P3	Q3P3	Q3P2	Q2P1
Beer	400	30	-	390	35	-	-	395	37	-	-	-
Cheese	150	6	-	200	7	-	-	210	7.5	-	-	-
TOTAL			-			-	-			-	-	-

a. Fill in the missing values in the table. BY what percentage did nominal GDP change from year 1 to year 2?
b. By how much did real GDP change from year 1 to year 2? (Use base year as year 2)
c. What are nominal GDP and real GDP for year3? (Use base year as year 2)
d. Calculate the deflator for the three years, given that year 2 is the base year.
e. Calculate the inflation rates between year 2&1 and between year 3&2.
f. What is the difference between measuring the GDP deflator and the CPI?
g. Find CPI of year 1, 2 & 3 using year 2 as base year.
h. Was there inflation between year 1 & 2 and also between year 2 & 3? If yes, how much?