

Discussion 7

Literature, Russian Literature



2008/2009 U. S GDP analysis According to the Bureau of economic analysis report (2008), national income accounting is the calculation of GDP and its elements. The initials GDP stands for gross domestic product which refers to the market value of the products produced by a country in a particular year. GDP can be measured using either expenditure approach, income approach or product approach. GDP can either be nominal or real. Nominal GDP is one that is distorted by the level of inflation while real GDP is nominal GDP divided by a price deflator to take care of inflation (Bureau of economic analysis, 2009).

In 2009, real GDP was reported and several elements of the economy were excluded. They include nonmarket work which is transactions for which people were not paid for, underground economy which represent goods or services that were not reported to the government, equity of the national wealth, social indicators e. g. crime and, imports and income from U. S companies and people outside the country. (Bureau of Economic Analysis report, 2009).

The inclusion of the above negative elements of the U. S economy and reporting nominal GDP would have significantly reduced the GDP, making the recession look even worse.

Work cited

Bureau of Economic Analysis database. Bureau of Economic Analysis database. 2009. 29 March

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