You are Mahvelous! Monday, October 7: Tomas and Destiny take test after school today!

- Warm ups:
  - (1) Create an index card for GDP that includes the definition and the formula. Also include the definitions of REAL and NOMINAL GDP.
  - (2) On a clean sheet of paper, write me a letter in which you tell me your current grade in this class and what you got on our last test. Describe what you do during class that helps you learn economics and the things you do in class that prevent you from learning economics. Describe with details what you need to do in order to pass this class. Describe how you and your classmates can make this an environment in which all students have an equal chance to learn economics and pass the class. Finally, please tell me **how** you study for economics tests and quizzes and **how much time** you spend studying for this class.
- *Learning targets: I can describe and identify categories of goods and services that are not included in GDP. I can define per capita GDP and explain the relevance of that measurement.*

Tomas and Destiny take test after school today!

On Wednesday during class, we will take a Unit 2 benchmark for the County that will count as a test grade. There will be multiple-choice and short-answer questions.
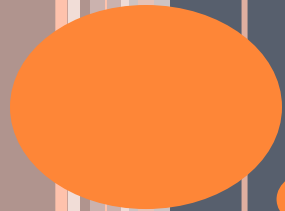
Class Expectations

- **When I am giving you notes or instructions:**
  - Sit up, listen, take notes, remain silent, raise your hand for questions.
- **During independent work:**
  - **Group work:** Your group must be on task, seated, with voices at a reasonable level.
  - **On-your-own:** You must be on task, seated, and working independently.
- **During simulations:**
  - Follow the rules
  - Keep your voice at a reasonable level
- Failure to comply with these expectations will result in a call home.

Let's Do the Math . . .

- 55% of your class grade is tests and quizzes
- 45% is classwork and homework
  - 20% [at the end] will be your EOCT grade

- Late-work policy reminder:
  - 1 day late = 75% max credit
  - 2 days late = 50% max credit
  - 3+ days late = NO credit

[Video](#) (to 3:15) GDP Refresher

What is GDP?

NOT INCLUDED IN GDP:

1. Second-hand sales (e.g., a used car)
2. Intermediate products (like flour used to make a loaf of bread, or new tires that a car company buys to put on its cars)
3. Non-market transactions (e.g., a summer job mowing neighbors' lawns; babysitting)
4. Financial transactions (e.g., buying or selling stock)
5. Underground economy (e.g., gambling, illegal drugs)

What counts for GDP?

- Cost of cotton for a t-shirt: intermediate good (NOT COUNTED)
- Cost of T-shirt: COUNTED

- Cost of flour for a baker: Intermediate (NOT COUNTED)
- Cost of cake: COUNTED

GDP Practice

KINDNESS MATTERS -- TUESDAY, OCTOBER 8

- WARM UP: FINISH YOUR GDP SHEET FROM YESTERDAY PLUS THE NEW ONE--YOU HAVE 15 MINUTES!
- *Learning targets: I can define GDP per capita. I can define inflation, deflation and hyperinflation.*
- Tomas: Take test after school today.
- Due Friday, Oct. 18: (1) USA Test Prep Unit 3 #1
- Benchmark will be Wednesday after we return from break.

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   a. Ms. Brown determines who has the floor
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   a. You may stand by your seat if you are tired
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5. No phones
   a. Daily email to discipline office

INCENTIVES

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- Jim Rutenberg (NYT chief political correspondent during 2012 presidential race): New York University (NO degree)

"[Jim] had financial and family challenges that sidelined him, but he wasn't, in the end, set back by that, because he had and has something better than any degree: a cunning, a drive and a grace in dealing with other people that are shared, to varying extents, by all of the journalists I just mentioned. Their careers weren't built on the names of their colleges. They were built on **carefully honed skills, ferocious work ethics and good attitudes**."

Source: Bruni, Frank. *Where You Go Is Not Who You'll Be: An Antidote to the College Admissions Mania.* New York, Hachette Book Group, 2016. Emphasis added.

WHAT COUNTRY HAS THE WORLD'S LARGEST GDP?

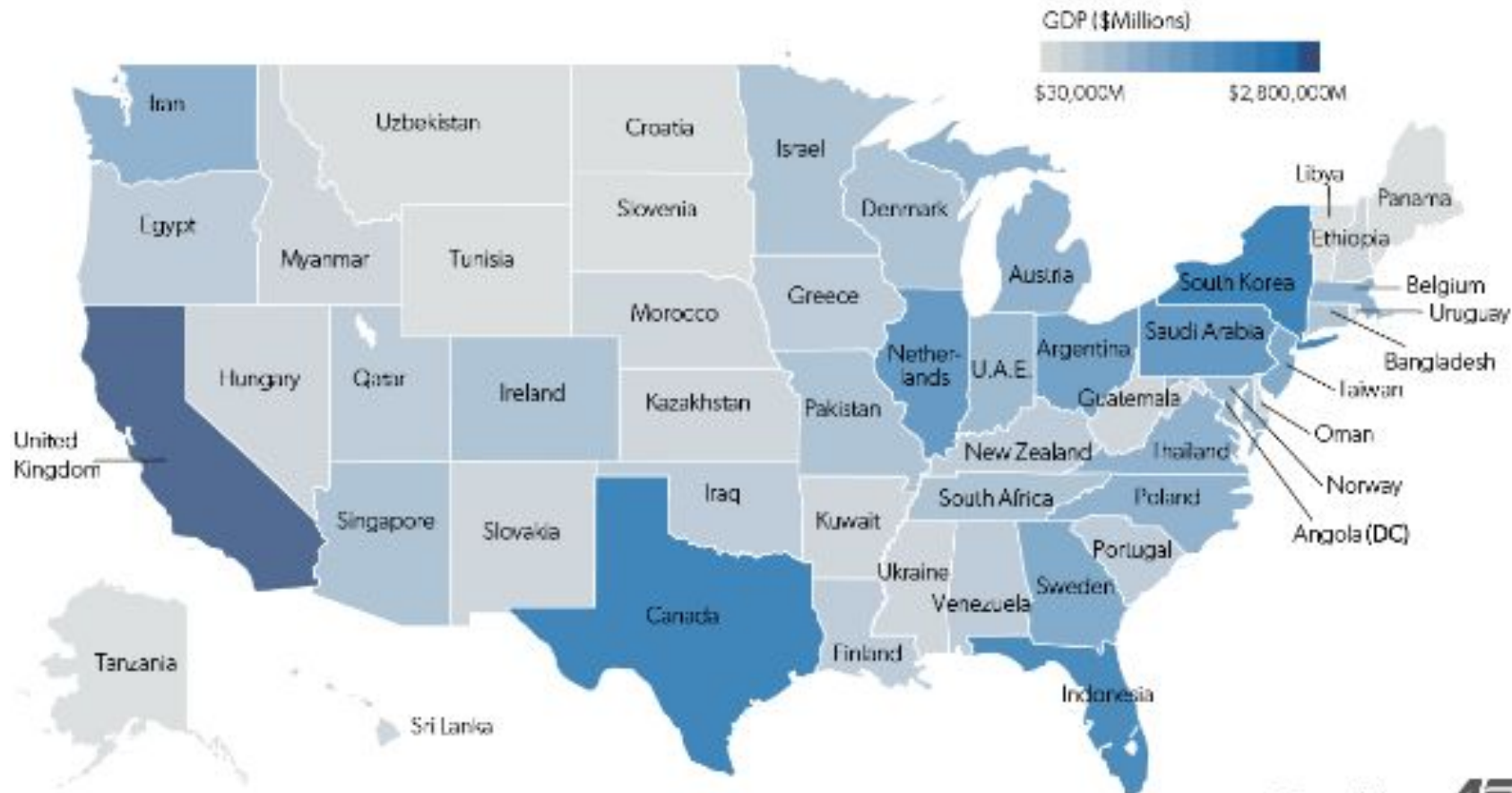- IF THE U.S. AND CHINA HAVE THE 1ST AND 2ND LARGEST ECONOMIES, WHO ELSE IS IN THE TOP 10 GDPS?

Per the International Monetary Fund (2019 estimates)[1]				Per the World Bank (2017)[20]				Per the United Nations (2017)[21][22]		
Rank	Country/Territory	GDP (US$million)		Rank	Country/Territory	GDP (US$million)		Rank	Country/Territory	GDP (US$million)
	World[19]	87,265,226			World	80,683,787			World[25]	80,501,413
1	United States	21,344,667		1	United States	19,390,604		1	United States	19,485,394
—	European Union[23][n 1]	18,705,132		2	China[n 5]	12,237,700		2	China[n 5]	12,234,781
2	China[n 2]	14,216,503		3	Japan	4,872,137		3	Japan	4,872,415
3	Japan	5,176,205		4	Germany	3,677,439		4	Germany	3,693,204
4	Germany	3,963,880		5	India	2,650,034		5	United Kingdom	2,631,228
5	India	2,971,996		6	United Kingdom	2,622,434		6	France	2,582,492
6	United Kingdom	2,829,163		7	France	2,582,501		7	India	2,575,666
7	France	2,761,633		8	Brazil	2,055,506		8	Brazil	2,055,512
8	Italy	2,025,866		9	Italy	1,934,798		9	Italy	1,943,835
9	Brazil	1,960,190		10	Canada	1,653,043		10	Canada	1,647,120
10	Canada	1,739,110		11	Korea, South	1,577,524		11	Korea, South	1,577,524
11	Korea, South	1,656,674		12	Russia[n 3]	1,530,751		12	Russia[n 3]	1,530,750
12	Russia[n 3]	1,610,381		13	Australia	1,323,421		13	Australia	1,408,675
13	Spain	1,429,140		14	Spain	1,311,320		14	Spain	1,314,314
14	Australia	1,417,003		15	Mexico	1,149,919		15	Mexico	1,158,229
15	Mexico	1,241,450		16	Indonesia	1,015,539		16	Indonesia	1,015,539
16	Indonesia	1,100,911		17	Turkey	851,102		17	Turkey	851,541
17	Netherlands	914,003		18	Netherlands	826,200		18	Netherlands	830,572

GDP 1800 to 2040

US States Renamed for Countries with Similar GDPs (2017)

GDP ($Millions)

$30,000M — $2,800,000M

Iran, Uzbekistan, Croatia, Israel, Libya, Panama, Egypt, Myanmar, Tunisia, Slovenia, Denmark, Ethiopia, Belgium, Uruguay, Greece, Austria, South Korea, Morocco, Saudi Arabia, Bangladesh, Hungary, Qatar, Ireland, Kazakhstan, Netherlands, U.A.E., Argentina, Taiwan, Pakistan, Guatemala, Oman, United Kingdom, New Zealand, Thailand, Norway, Singapore, Slovakia, Iraq, Kuwait, South Africa, Poland, Angola (DC), Ukraine, Portugal, Canada, Venezuela, Sweden, Tanzania, Finland, Indonesia, Sri Lanka

Sources: Bureau of Economic Analysis and International Monetary Fund

Carpe Diem AEI

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THE WORLD FACTBOOK

Please select a country to view ▼

| ABOUT | REFERENCES | APPENDICES | FAQs | CONTACT |

VIEW TEXT/LOW BANDWIDTH VERSION
WORLD FACTBOOK ARCHIVES

COUNTRY COMPARISON :: GDP (PURCHASING POWER PARITY)

GDP (purchasing power parity) compares the gross domestic product (GDP) or value of all final goods and services produced within a nation in a given year. A nation's GDP at purchasing power parity (PPP) exchange rates is the sum value of all goods and services produced in the country valued at prices prevailing in the United States.

		),000	2017 EST.
11	FRANCE	$2,830,000,000,000	2017 EST.
12	MEXICO	$2,458,000,000,000	2017 EST.

From NYTimes, Sept. 24, 2018:

FACT CHECK OF THE DAY

Trump's Inaccurate Claim That U.S. Is 'the Fastest-Growing Economy in the World'

The United States' G.D.P. growth is nowhere near the highest in the world, though its rate is currently one of the highest among developed economies.

And the data says . . . .

GDP PER CAPITA = REAL GDP ÷ POPULATION

- Is the best measurement of a country's standard of living (wealth, comfort, material goods, and necessities available).
- Shows how wealthy or well-off a country feels to its citizens
- It is **NOT** the average income of citizens

LISTENING MATTERS -- WEDNESDAY, OCTOBER 9

- Warm up: Create an index card about GDP per capita. Amend your earlier GDP index card to include the categories that are not counted in GDP.
- *Learning targets: I can define inflation, deflation and hyperinflation.*
- Tomas: Take test after school today.
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Make a Prediction

Now that you know what countries have the biggest GDP, make a prediction about what countries have large GDP per capita.

Please select a country to view ▼

COUNTRY COMPARISON :: GDP - PER CAPITA (PPP)

GDP - per capita (PPP) compares GDP on a purchasing power parity basis divided by population as of 1 July for the same year.

⬇ DOWNLOAD DATA

RANK	COUNTRY	GDP - PER CAPITA (PPP)	DATE OF INFORMATION
1	LIECHTENSTEIN	$139,100	2009 EST.
2	QATAR	$124,500	2017 EST.
3	MONACO	$115,700	2015 EST.
4	MACAU	$111,600	2017 EST.
5	LUXEMBOURG	$106,300	2017 EST.
6	BERMUDA	$99,400	2016 EST.
7	SINGAPORE	$93,900	2017 EST.
8	ISLE OF MAN	$84,600	2014 EST.
9	BRUNEI	$78,200	2017 EST.
10	IRELAND	$75,500	2017 EST.
11	NORWAY	$71,800	2017 EST.
12	FALKLAND ISLANDS (ISLAS MALVINAS)	$70,800	2015 EST.
13	UNITED ARAB EMIRATES	$67,700	2017 EST.
14	SINT MAARTEN	$66,800	2014 EST.
15	KUWAIT	$66,200	2017 EST.
16	GIBRALTAR	$61,700	2014 EST.
17	HONG KONG	$61,400	2017 EST.

18	**SWITZERLAND**	$61,400	2017 EST.
19	**UNITED STATES**	$59,500	2017 EST.
20	**SAN MARINO**	$58,600	2017 EST.
21	**JERSEY**	$56,600	2016 EST.
22	**SAUDI ARABIA**	$54,800	2017 EST.
23	**NETHERLANDS**	$53,600	2017 EST.
24	**GUERNSEY**	$52,500	2014 EST.
25	**ICELAND**	$51,800	2017 EST.
26	**SWEDEN**	$51,500	2017 EST.
27	**GERMANY**	$50,400	2017 EST.
28	**TAIWAN**	$50,300	2017 EST.
29	**AUSTRALIA**	$50,300	2017 EST.
30	**AUSTRIA**	$49,900	2017 EST.
31	**DENMARK**	$49,900	2017 EST.
32	**ANDORRA**	$49,900	2015 EST.
33	**BAHRAIN**	$48,500	2017 EST.
34	**CANADA**	$48,300	2017 EST.
35	**BELGIUM**	$46,600	2017 EST.
36	**SAINT PIERRE AND MIQUELON**	$46,200	2006 EST.
37	**OMAN**	$45,200	2017 EST.
38	**FINLAND**	$44,300	2017 EST.
39	**UNITED KINGDOM**	$44,100	2017 EST.
40	**CAYMAN ISLANDS**	$43,800	2004 EST.
41	**FRANCE**	$43,800	2017 EST.

207	AFGHANISTAN	$2,000	2017 EST.
208	KIRIBATI	$2,000	2017 EST.
209	GUINEA	$2,000	2017 EST.
210	BURKINA FASO	$1,900	2017 EST.
211	GUINEA-BISSAU	$1,800	2017 EST.
212	HAITI	$1,800	2017 EST.
213	GAMBIA, THE	$1,700	2017 EST.
214	TOGO	$1,700	2017 EST.
215	KOREA, NORTH	$1,700	2015 EST.
216	COMOROS	$1,600	2017 EST.
217	SIERRA LEONE	$1,600	2017 EST.
218	MADAGASCAR	$1,600	2017 EST.
219	ERITREA	$1,600	2017 EST.
220	SOUTH SUDAN	$1,500	2017 EST.
221	LIBERIA	$1,400	2017 EST.
222	YEMEN	$1,300	2017 EST.
223	MALAWI	$1,200	2017 EST.
224	NIGER	$1,200	2017 EST.
225	MOZAMBIQUE	$1,200	2017 EST.
226	TOKELAU	$1,000	1993 EST.
227	CONGO, DEMOCRATIC REPUBLIC OF THE	$800	2017 EST.
228	CENTRAL AFRICAN REPUBLIC	$700	2017 EST.
229	BURUNDI	$700	2017 EST.

3 Macroeconomic Goals?

1. A growing economy -- measured by GDP
2. ???
3. Low unemployment -- measured by the unemployment rate

WHAT IS INFLATION AND HOW DO WE MEASURE IT?

Economic Mystery: Was Babe Ruth underpaid?

- In 1931, Babe Ruth made $80,000 per year.

- Also in '31, an ice-cream cone cost five cents and going to a movie in a theater cost a quarter.

- On average, Major League Baseball players today earn $2,272,620 per year.

Price Stability: The Bambino

- Ruth's salary in constant 2005 dollars was about $1 million per year.

- In 2005, Alex Rodriguez of the New York Yankees was the highest-paid MLB player at $22 million per year.

- In 2005, 426 MLB players made the same as or more than the great Babe Ruth.

- **So was he underpaid?**

WHAT IS Inflation?

- INFLATION = an increase in the AVERAGE PRICE LEVEL in an economy

- Inflation causes the value of the dollar to decrease.

  - For example, if the inflation rate is 4% annually, then theoretically a $1 pack of gum will cost $1.04 in a year.

Variations on inflation:

- <u>Deflation</u>   is when the general level of prices is falling.

- <u>Hyperinflation</u> is unusually rapid/extreme inflation.

  - In Germany in 1923, prices rose 2,500% in one month!

Has this happened recently?

- Funny you should ask…
- Venezuela
- Zimbabwe

The amount of Venezuelan Bolivars (worth $1.45) needed to buy 1kg of meat.

photo credit: Reuters

What is the most popular movie of all time?

With your neighbor, talk about what you think are some of the <u>top money-making movies</u> of all time.

Nominal Box Office Receipts:

Rank	Title(click to view)	Studio	Lifetime Gross	Year^
1	**Star Wars: The Force Awakens**	BV	**$936,662,225**	2015
2	**Avatar**	Fox	**$760,507,625**	2009^
3	**Black Panther**	BV	**$700,059,566**	2018
4	**Avengers: Infinity War**	BV	**$678,815,482**	2018
5	**Titanic**	Par.	**$659,363,944**	1997^
6	**Jurassic World**	Uni.	**$652,270,625**	2015
7	**Marvel's The Avengers**	BV	**$623,357,910**	2012
8	**Star Wars: The Last Jedi**	BV	**$620,181,382**	2017
9	**Incredibles 2**	BV	**$607,490,664**	2018
10	**The Dark Knight**	WB	**$534,858,444**	2008^
11	**Rogue One: A Star Wars Story**	BV	**$532,177,324**	2016
12	**Beauty and the Beast (2017)**	BV	**$504,014,165**	2017
13	**Finding Dory**	BV	**$486,295,561**	2016

14	**Star Wars: Episode I - The Phantom Menace**	Fox	**$474,544,677**	1999^
15	**Star Wars**	Fox	**$460,998,007**	1977^
16	**Avengers: Age of Ultron**	BV	**$459,005,868**	2015
17	**The Dark Knight Rises**	WB	**$448,139,099**	2012
18	**Shrek 2**	DW	**$441,226,247**	2004
19	**E.T.: The Extra-Terrestrial**	Uni.	**$435,110,554**	1982^
20	**The Hunger Games: Catching Fire**	LGF	**$424,668,047**	2013
21	**Pirates of the Caribbean: Dead Man's Chest**	BV	**$423,315,812**	2006
22	**The Lion King**	BV	**$422,783,777**	1994^
23	**Jurassic World: Fallen Kingdom**	Uni.	**$416,769,345**	2018
24	**Toy Story 3**	BV	**$415,004,880**	2010
25	**Wonder Woman**	WB	**$412,563,408**	2017
26	**Iron Man 3**	BV	**$409,013,994**	2013
27	**Captain America: Civil War**	BV	**$408,084,349**	2016
28	**The Hunger Games**	LGF	**$408,010,692**	2012

Is there a problem with these numbers?

From www.economicnoise.com

DOMESTIC GROSSES
Adjusted for Ticket Price Inflation*

CHART NOTES

* Adjusted to the estimated 2018 average ticket price of $9.14. Inflation-adjustment is mostly done by multiplying estimated admissions by the latest average ticket price. Where admissions are unavailable, adjustment is based on the average ticket price for when each movie was released (taking in to account re-releases where applicable).

^ Indicates documented multiple theatrical releases. Most of the pre-1980 movies listed on this chart had multiple undocumented releases over the years. The year shown is the first year of release.

Most pre-1980 pictures achieved their totals through multiple releases, especially Disney animated features which made much of their totals in the past few decades belying their original release dates in terms of adjustment. For example, **Snow White** has made $118,328,683 of its unadjusted $184,925,486 total since 1983. Click here for a full discussion of adjusting for movie ticket price inflation.

Rank	Title (click to view)	Studio	Adjusted Gross	Unadjusted Gross	Year^
1	**Gone with the Wind**	MGM	**$1,846,687,900**	$198,676,459	1939^
2	**Star Wars**	Fox	**$1,628,013,100**	$460,998,007	1977^
3	**The Sound of Music**	Fox	**$1,301,676,500**	$158,671,368	1965
4	**E.T.: The Extra-Terrestrial**	Uni.	**$1,296,548,600**	$435,110,554	1982^
5	**Titanic**	Par.	**$1,238,925,300**	$659,363,944	1997^
6	**The Ten Commandments**	Par.	**$1,197,340,000**	$65,500,000	1956
7	**Jaws**	Uni.	**$1,170,640,400**	$260,000,000	1975
8	**Doctor Zhivago**	MGM	**$1,134,598,100**	$111,721,910	1965
9	**The Exorcist**	WB	**$1,010,876,400**	$232,906,145	1973^
10	**Snow White and the Seven Dwarfs**	Dis.	**$996,260,000**	$184,925,486	1937^
11	**Star Wars: The Force Awakens**	BV	**$988,172,000**	$936,662,225	2015
12	**101 Dalmatians**	Dis.	**$913,243,700**	$144,880,014	1961^

13	**The Empire Strikes Back**	Fox	**$897,371,000**	$290,475,067	1980^
14	**Ben-Hur**	MGM	**$895,720,000**	$74,000,000	1959
15	**Avatar**	Fox	**$889,409,500**	$760,507,625	2009^
16	**Return of the Jedi**	Fox	**$859,703,000**	$309,306,177	1983^
17	**Jurassic Park**	Uni.	**$837,423,500**	$402,453,882	1993^
18	**Star Wars: Episode I - The Phantom Menace**	Fox	**$825,452,400**	$474,544,677	1999^
19	**The Lion King**	BV	**$814,798,300**	$422,783,777	1994^
20	**The Sting**	Uni.	**$814,765,700**	$156,000,000	1973
21	**Raiders of the Lost Ark**	Par.	**$809,287,100**	$248,159,971	1981^
22	**The Graduate**	AVCO	**$782,172,200**	$104,945,305	1967^
23	**Fantasia**	Dis.	**$759,017,400**	$76,408,097	1941^
24	**Jurassic World**	Uni.	**$722,509,700**	$652,270,625	2015
25	**The Godfather**	Par.	**$721,352,300**	$134,966,411	1972^
26	**Forrest Gump**	Par.	**$718,537,700**	$330,252,182	1994^

CPI Research and Activity

The Consumer Price Index (CPI) is a monthly measurement of U.S. prices for most household goods and services. Changes in the CPI over time show inflation (rising prices) or deflation (falling prices.)

What is Your Student Price Index?