

Gross Domestic Product



1. Is the output produced by the FOP
2. in the **domestic economy**
3. irrespective of whether the factors are owned by Irish nationals or not

Gross National Product



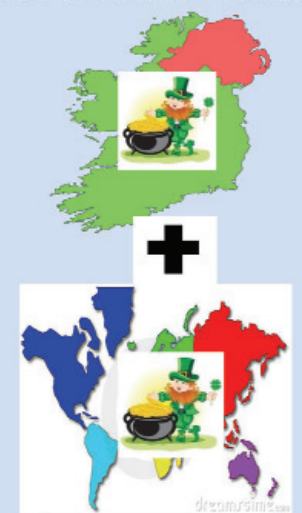
1. Is the output produced by
2. Irish owned FOP
3. In Ireland and elsewhere

Gross Domestic Product



is a better guide to the level of **Economic Activity**.

Gross National Product



is a better guide to the **Standard of Living**

National Income

- Is the income earned by the
- **permanent residents** of a country from current economic activity during a **specified period**, usually one year

3 Methods of Measuring National Income

1. Production/output method
2. Income method
3. Expenditure method

- All three methods should equal each other as output (**production**) pays for wages (**incomes**) which are spent (**expenditure**) on output

