

Suggested Answer of PS#1.

Question 1.

First, you need to know to distinguish fiscal year and calendar year. Many countries including Japan and US distinguish fiscal year and calendar year. In the case of Japan, calendar year is from January 1st to December 31st. Fiscal year in Japan starts from April 1st and ends March 31st. In the case of the US, the calendar year starts from January 1st and ends December 31st. The fiscal year in the US starts from October 1st and ends September 31st. This consideration is important when you analyze data and combine several data source. If you use calendar year in one data source, you should also use calendar year in other data source. Otherwise, the analysis does not make sense.

Unfortunately, in submitted problem sets, many students photocopied fiscal year data. The question was asking in Calendar Year!

- (1) 501.11 trillion yen
- (2) 108.151 trillion yen.
- (3)  $263.82 + 83.82 = 347.64$
- (4)  $347.64 + 108.15 + 42.69 - 2.89 = 494.59$ . Statistical discrepancy is 9.51 trillion yen.

2.(1) In principle, self-consumed vegetable should be included. However, in developing countries, it is administratively very difficult to figure out the self consumed vegetable. Thus it is not included in the reality. In Japan, however, for calculating GDP, self-consumed vegetable is included due to the effort of government statistical agency.

(2) In principle, the consumption of owner occupied housing should be included. Because the monetary amount of the service that the owner occupied housing provide is substantial. In reality, it is also included in GDP.

- (3)
  - (a) 800 billion yen
  - (b) 80 billion yen
  - (c) 600 billion yen
  - (d) about 5 trillion yen (1% of GDP)
  - (e) about 45 trillion yen (it depends on year)
  - (f) about 93 trillion yen
  - (g) about 95 trillion yen
  - (h) 1.8 trillion yen