

AP[®] MACROECONOMICS
2007 SCORING GUIDELINES

Question 3

8 points (2 + 2 + 2 + 2)

(a) 2 points:

- One point is earned for stating that the value of the textbook is not included.
- One point is earned for explaining that a used item has already been counted in a previous year, or is not part of 2006 production.

(b) 2 points:

- One point is earned for stating that the rent payment is included.
- One point is earned for explaining that the payment is for service provided in 2006.

(c) 2 points:

- One point is earned for stating that the commissions are included.
- One point is earned for explaining that the commissions represent income for providing service in 2006.

(d) 2 points:

- One point is earned for stating that the value is not included in the U.S. GDP.
- One point is earned for explaining that U.S. GDP does not include production outside of the U.S.

3.

Write in the box the number of the question you are answering on this page as it is designated in the exam.

3A

A) The Used Text book is Not counted in 2006 GDP, it was counted when it was first sold New.

B) The rent paid in 2006 is counted in 2006 GDP because it is a service supplied to ~~the~~^{tenants} in 2006.

C) Commissions earned in 2006 are counted in 2006 GDP because they are payment for services rendered in 2006.

D) The automobiles produced in South Korea in 2006 are Not counted in 2006 GDP because only ~~that~~ production done in the U.S. is a part of U.S. Gross Domestic Product.

Write in the box the number of the question you are answering on this page as it is designated in the exam.

3

3B

(A) Not counted, because second-hand sales are not counted.

(B) Counted, because rent paid is included, no matter how old the residence. (It is original money)

(C) Not counted, because GDP does not include "middlemen," so to speak, involved in transactions.

(D) Not counted, because the automobiles were not produced domestically.

(a) The value of the textbook sold through an online auction in 2006 does not count b/c the original value of that textbook ~~new~~ when it was sold was already counted and therefore cannot be counted again.

(b) Rent paid in 2006 by residents in an apartment building built in 2000 does not count b/c the only cost for the building that counts is the original building cost that was counted in 2000.

(c) Commissions earned in 2006 by a stock broker count b/c the commissions are based on a stock sold during that year and b/c they were one time payments and during that year they get counted.

(d) The value of automobiles produced in 2006 in South Korea by a United States firm is counted ~~by~~ b/c the automobiles, while they were not produced here are produced and send profits to the United States citizens that own the firm so it is a product of the U.S.

**AP[®] MACROECONOMICS
2007 SCORING COMMENTARY**

Question 3

Overview

This question measured the ability of students to identify the kinds of goods and services that are included in a nation's gross domestic product (GDP).

Sample: 3A

Score: 8

The student earned all points in this question.

Sample: 3B

Score: 5

In part (b) the student's explanation is insufficient, losing 1 point. In part (c) the student incorrectly identifies commissions as not included in GDP and provides an inadequate explanation, losing 2 points.

Sample: 3C

Score: 3

The student earned 2 points in part (a) for correctly identifying used textbooks as excluded from GDP and providing a correct explanation for excluding the sale. The student earned 1 point for correctly identifying commissions as included in GDP in part (c).