CLASS EXERCISE- SUPPLY AND USE TABLES

Using the following information, please compile:

1. A Supply and Use table on the pro-forma supplied
2. GDP using the production, income and expenditure approach.

MINING INDUSTRY

Results from the Mining Census were as follows:

Receipts (including taxes on products)
- Sales of Iron ore 400
- Sales of coal 250

Taxes on products
- Iron ore tax 30

Expenditure
- Fuels (coal) 10
- Wages and salaries 400

Inventories
- Change in inventories of finished goods (iron ore) 9
- Change in inventories of finished goods (coal) -10

Capital formation
- Purchase of cars 100

STEEL MANUFACTURING INDUSTRY

Results from the Manufacturing Census were as follows:

Receipts (values excluding taxes on products)
- Sales of steel 310

Expenditure
- Materials (iron ore) 120
- Fuels (coal) 60
- Wages and salaries 100

Inventories
- Change in inventories of finished goods (steel) 8
- Change in inventories of materials (coal) 0
- Change in inventories of materials (iron ore) 4
Capital formation
  Purchase of cars 20

CAR MANUFACTURING INDUSTRY

Results from the Census of car manufacturing are as follows:

Receipts (values excluding taxes on products)
  Sales of motor vehicles 990
  Car subsidy (on products) from Government 20

Expenditure
  Materials (steel) 230
  Fuels (coal) 70
  Wages and salaries 550
  Employer contribution to pension funds 20

Change in Inventories
  Finished goods (cars) 10
  Materials (steel) -5
  Materials (coal) 0

Capital formation
  Purchase of cars 50

BALANCE OF PAYMENTS DATA

Imports  Cars 300

Exports  Coal 105
  Iron ore 280
  Steel 80
  Cars 400

HOUSEHOLD SOCIO-ECONOMIC SURVEY DATA

Results from the Survey are as follows:

  Households' purchase of coal 5
  Households' purchase of cars 720
### Derivation of major aggregates

<table>
<thead>
<tr>
<th></th>
<th>Mining</th>
<th>Steel manufacture</th>
<th>Car manufacture</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>650</td>
<td>310</td>
<td>990</td>
</tr>
<tr>
<td>- Taxes on products</td>
<td>30</td>
<td></td>
<td></td>
</tr>
<tr>
<td>+ Subsidies on products</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>+ Change in inventories of finished goods and work in</td>
<td>-1</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td><strong>= Output at basic prices</strong></td>
<td>619</td>
<td>318</td>
<td>1020</td>
</tr>
<tr>
<td>+ Imports</td>
<td></td>
<td></td>
<td>300</td>
</tr>
<tr>
<td><strong>= Total supply at basic prices</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>+ Taxes less Subsidies on</td>
<td>30</td>
<td>0</td>
<td>-20</td>
</tr>
<tr>
<td><strong>= Total supply at purchasers’ prices</strong></td>
<td>649</td>
<td>318</td>
<td>1300</td>
</tr>
<tr>
<td>Purchases of materials and fuels</td>
<td>10</td>
<td>180</td>
<td>300</td>
</tr>
<tr>
<td>- Change in inventories of materials and fuels</td>
<td>0</td>
<td>4</td>
<td>-5</td>
</tr>
<tr>
<td><strong>= Intermediate consumption</strong></td>
<td>10</td>
<td>176</td>
<td>305</td>
</tr>
<tr>
<td>Output at basic prices</td>
<td>619</td>
<td>318</td>
<td>1020</td>
</tr>
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<td>- Intermediate consumption</td>
<td>10</td>
<td>176</td>
<td>305</td>
</tr>
<tr>
<td><strong>= Gross value added at basic prices</strong></td>
<td>609</td>
<td>142</td>
<td>715</td>
</tr>
<tr>
<td><strong>= Gross value added at basic prices</strong></td>
<td>609</td>
<td>142</td>
<td>715</td>
</tr>
<tr>
<td>- Compensation of employees</td>
<td>400</td>
<td>100</td>
<td>570</td>
</tr>
<tr>
<td><strong>= Gross operating surplus</strong></td>
<td>209</td>
<td>42</td>
<td>145</td>
</tr>
</tbody>
</table>