Practical exercise on SAM building

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The SAM

- The file “**SAM 2004 for Debuggistan - unbalanced.xls”** presents an incomplete and unbalanced SAM for a country called “Debuggistan”, in millions of that country’s currency at 2004 prices.
- The sheet **“SAM”** contains the matrix and the sheet **“Accounts”** lists the acronyms and the definitions of the SAM accounts.
- The SAM has a relatively large number of accounts and is adapted to calibrate MAMS.
- The SAM is missing information in various cells!

The task

- Balance the SAM!
- To balance the SAM:
  - use information already included in the SAM.
  - use complementary information provided below.
  - input the information directly in the worksheet **“SAM”** of the Excel file
    - in the cells that you think should enable proper balancing of the SAM!

Complementary information (1)

- All labour income is transferred to the household
- There is a 0.0281% tax on labour income for workers that have completed secondary education (but not tertiary education)
- Operating surplus of the private sectors is distributed as follows: 61.37% to the household, 25.49% to the government, and the remaining balance to the rest of the world (row).
- Total income of the household, the government and the rest of the world is equal to, respectively: 2182.51, 627.60 and 1166.65 – just as recorded in the row totals of these institutions' accounts!

Complementary information (2)

- Financing of gross fixed capital formation in the private sector is provided as follows: 82.44% from households, 8.83% from the government and 8.74% from the rest of the world.
- Foreign direct investment is equal to 26.36.
- In order to carry out investment, stocks are changed only by the private sector.

Tips

- Remember that:
  - for each account, the row total must be exactly equal to the column total.
  - savings are channeled through the capital accounts of each institution.
  - investment by sector of destination is also accounted for.
- Get familiarized with the accounts of the SAM and their definitions.
- To ensure that the SAM has been duly balanced, check that cells in the range B93:CE93 are all equal to zero.

Good luck!