

Economic Performance Study Guide

Be able to define, identify, & apply information about each of the following:

- Gross domestic product (GDP)
 - Why GDP not perfect
 - Real GDP
 - Per capita real GDP
 - Business cycle – peak, contraction, trough, expansion
 - Recession
 - 3 types of economic indicators
- Aggregate supply (AS) & aggregate demand (AD)
 - Stock of money
 - Velocity of circulation
 - Disposable income
- Unemployment
 - Unemployment rate
 - Labor force
 - Why unemployment rate imperfect
 - Full employment
 - 4 types of unemployment
 - Government policies to affect types of unemployment
- Inflation
 - Deflation
 - Inflation's effect on consumers' standard of living
 - 2 types of inflation – demand-pull inflation & cost-push inflation
 - Consumer price index (CPI)
 - Trade-off between inflation & unemployment
 - Stagflation