Business Cycles, Unemployment & GDP Review

# Unit 3 Part 1

1. What is the Consumer Price Index (CPI)?
2. How do you compute CPI?

3. What is GDP per capita?

4. Define GDP, real GDP, and nominal/current GDP.

5. What are the 3 measurements used to indicate

6. What items are not included in GDP?

7. Be able draw and label the business cycle.

8. Define recession and depression.

9. What might indicate a downturn in the economy?

10. Be able to read a CPI chart and interpret the what the CPI means in terms of prices.

11. What is frictional unemployment, structural unemployment, seasonal unemployment and cyclical unemployment? Be able to identify examples of each.

12. What is stagflation?

13. What is hyperinflation?

14. What happens to purchasing power when we have inflation?

15. What is the output expenditure mode? Which sector is the largest in the US?

16. Define unemployed.

17. Define labor force.

18. Define aggregate demand.

19. How do we find aggregate demand?

20. Be able to identify what happens when one of the sectors in the output expenditure model changes, how that changes GDP.