

Concepts and Vocabulary

Aggregate

Inflation

Unemployment

Nominal National Income

Real National Income

Business Cycle

Income

Expenditure

Output

Circular Flow

Leakages

Injections

Final Product

Intermediate goods

Inventory

Investment

Transfer Payments

Capital Goods

Shadow Economy

Informal Economy

Hidden Economy

GDP

GNI

Economic Growth

GDP per capita

Nominal GDP

Real GDP

Green GDP

GDP Gaps

Recessionary Gaps

Inflationary Gaps

Objectives:

1. Describe the phases of the business cycle.
2. Explain how the business cycle reflects fluctuations in a country's output.
3. Illustrate the circular flow of expenditures and income between producers and consumers, noting the implication of leakages from and injections into this spending stream
4. Explain why income, expenditure and output for an economy are equal.
5. Analyze the uses and limitations of income accounts.
6. List the top largest economies in the world based on total GDP.
7. Use national income accounts to make international comparisons and to make comparisons for the same country over time.
8. Calculate nominal GDP using the expenditure approach
9. For National Income Accounts be able to explain the distinction and calculate the difference between:
 - National and Domestic
 - Nominal and real
 - Total and per capita

Assignments:

Block B Due Wednesday Feb 13 Blocks G/E Thursday Feb 14	HW 6.1 Read p. 216-218 and answer p. 218 questions # 5,6,7
Block B Due – Sunday Feb 17 Blocks G/E Monday Feb 18	IA Article must be approved by this date
Block B Due Tuesday Feb 19 Blocks G/E Wed Feb 20	Due in class IA Planning guide- bring article and completed guide to class for in-class meeting
Block B Due – Sunday Feb 24 Blocks G/E Monday Feb 25	HW 6.2 Read p. 230-234 on the business cycle and answer the question on p. 234 # 3 all and 4:
Block B Due Monday March 4 Blocks G/E Tuesday March 5	Commentary due – to turnitin.com
Block B Due Sunday March 10 Blocks G/E Monday, March 11	HW 6.3 Measuring National Income p. 219- 226 and answer the question on: p. 221 # 3a and b p. 223 #4 p. 225 #1
Block B Tuesday March 12 Blocks G/E Wed March 12	Test

Podcast assignment

“The Invention of The Economy”

Use the podcast link on the moodle or connect to the Planet Money web site. Listen to podcast called “The Invention of The Economy”

The podcast is approx. 14 minutes long. Take notes as you listen to the podcast. Be ready to contribute observations and questions to a brief class discussion on the content and ideas of the show.

Review Questions – to help you study:

1. Why are public goods and services produced by the government included in GDP?
2. Give three examples of transactions that are not included in GDP and for each explain why it is not included.
3. Explain how the concept of Green GDP relates to sustainability.
4. Choose one transition point between 2 phases of the business cycle – how does the previous phase help bring about the next phase?
5. Considering the link between macroeconomics and international economics, why is the business cycle model the same as the trade cycle model?