**Economics Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Chapter 13/14 Powerpoint Notes Per: \_\_\_\_\_\_\_\_\_\_\_**

**View the Chapter 13/14 Powerpoint and answer the questions that follow:**

1. What are the 3 economic goals for **all countries**?

 1.

 2.

 3.

2. What is a country’s most important **measure** of economic growth?

3. Define GDP:

4. Clearly explain each of the 3 **components** of GDP:

 1.

 2.

 3.

5. What are 3 ways that GDP can be **used:**

 1.

 2.

 3.

6. List and explain the 3 exclusions from GDP:

|  |  |
| --- | --- |
| Type of Exclusion | Explanation: |
| 1.  |  |
| 2. |  |
| 3. |  |

6. Answer the following questions from the information found at:

 <http://www.fte.org/teacher-resources/economic-barometer>

|  |  |
| --- | --- |
| Question | Answer |
| What do changes in real GDP measure?  |  |
| What is RGDP for the most recent quarter? |  |
| What is the % change in RGDP from the most recent quarter? |  |
| According to the % change indicated above, is the economy growing or shrinking? |  |
| What is RGDP per capita generally used to assess? |  |
| What is current RGDP per capita? |  |

7. What **country** has approximately the same GDP as the **State of California**?

8. What is economic growth?

 1.

 2.

|  |
| --- |
| 9. Why is economic growth the goal of every society? |
| 1. |
| 2. |
| 3. |
| 4. |

10. What is the formula for calculating percent change in GDP from one year to the next?

11. Economic Growth Practice:

Mordor GDP in 2007: $4000

Mordor GDP in 2008: $5000

What’s the % change in GDP?

Transylvania’s GDP in 2007: $2000

Transylvania’s GDP in 2008: $2100

What’s the % change in GDP?

12. Why is Real GDP Per Capita the best measure of a nation’s standard of living?

13. According to the RFK video, what are two positive things that GDP doesn’t count?

 What are two negative things that GDP doesn’t count?

14. What are the five elements that explain why some countries have higher GDPs than others?

 1.

 2.

 3.

 4.

 5.

15. Who is in the labor force?

 1.

 2.

 3.

 4.

16. Identify the following formulas for calculating rates of unemployment, employment and labor force participation:

|  |  |
| --- | --- |
| **Unemployment Rate:** |  |
| **Employment Rate:** |  |
| **Labor Force Participation Rate** |  |

17. List and describe the five kinds of unemployment:

|  |  |
| --- | --- |
| Type of Unemployment: | Description/Example: |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |

18. What are 4 ways that the unemployment rate **misdiagnoses** actual unemployment? (Explain each fully)

 1.

 2.

 3.

 4.

19. What is inflation?

20. How is inflation **measured**?

21. What is the inflation **rate**?

22. From the graph **“U.S. Inflation Rate By Year”**: In what year did the U.S. **most recently** experience an inflation rate greater than 10%

23. Effects of Inflation: Indicate who is hurt and who is helped by inflation in the T-Chart below

 **Hurt by Inflation Helped by Inflation**

24. Identify four ways that inflation **destabilizes** the economy:

|  |
| --- |
| 1. |
| 2. |
| 3. |
| 4. |

25. Identify and explain the three possible **causes** of inflation:

|  |  |
| --- | --- |
| Cause: | Explanation: |
| 1. |  |
| 2. |  |
| 3. |  |

26. **Draw and fully label** a diagram of the business cycle:

|  |
| --- |
|  |

27. Complete the T-Chart below:

 **Characteristics of Expansions and Recessions**

 **Expansions: Recessions:**

 **1. 1.**

 **2. 2.**

 **3. 3.**

 **4. 4.**

 **5. 5.**

 **6. 6.**

28. Identify the values for achieving the 3 Economic Goals in the chart below:

|  |  |  |  |
| --- | --- | --- | --- |
|  | Unemployment | Inflation | GDP Growth |
| Good |  |  |  |
| Worry |  |  |  |
| Bad |  |  |  |