

Chapter 13 Study Guide

Business cycles

Business fluctuations

Recession

Peak

Trough

Expansion

Trend line

Depression

Leading economic indicators

Inflation

Deflation

Price index

Consumer price index (CPI)

Market basket

Creeping inflation

Hyperinflation

Stagflation

Demand-pull inflation

Cost-push inflation

Civilian labor force

Unemployed

Unemployment rate

Long-term unemployed

Frictional unemployment

Structural unemployment

Technological unemployment

Cyclical unemployment

Seasonal unemployment

1. What was the U.S. Housing Bubble of 2006? How did this help lead to the Great Recession?

2. What are the causes of business cycles?

3. What impact did the following two events have on the U.S.?

-The Great Depression:

-The Great Recession:

3. How do leading economic indicators help us predict downturn and upturns in the economy?

4. Explain the following causes of inflation. Include the cause & effect of each:

-Demand-pull:

-Cost-push:

5. What are the 4 consequences of inflation? Please include a short explanation for each.

6. Who is not included in the labor force?

7. Why are some types of unemployment unavoidable?