



# Recession

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A general slowdown in economic activity over a period of time.

# Inflation

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An increase in the level of prices from one period of time to another

# Interest Rates

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The price borrowers pay for the use of money of a lender

# Consumer Price Index (CPI)

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A measure of the rate of inflation.





# Deflation

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A general reduction in prices.

# Cost-Push Inflation

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As the cost of production increases, so does the price of the good/service.

# Imported Inflation

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If the cost of imported raw materials increases, so will the price of the good/service.

# Demand-Pull Inflation

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When the demand for a good/service is greater than the supply of that product, the scarcity will increase the price.





## Balance of Trades

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The difference between goods exported and goods imported.

## Gross Domestic Product (GDP)

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A measure of the value of all goods and services produced within a country. Used as an expression of national income.

## Gross National Product (GNP)

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A measure of the value of all goods and services produced by a country's citizens, either domestically or abroad.

## Economic Cycle

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The changes that occur over a period of time to an economy.





# Economic Growth

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An increase in the quantity of goods and services produced in an economy. Economic growth is also increased by low rates of interest and tax.

# Economic Boom

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An uninterrupted period of accelerated economic growth.

# Economic Depression

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When a harsh and long recession effects an economy.

# Multiplier Effect

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The effect on final income as a result of a large increase of decrease in government spending.

