

Chapter 4

Objectives

- Explain economic growth and living standards
- Calculate per capita output and average labor productivity
- Define recession, depression, expansion, and boom
- Define the unemployment rate and its relationship to recessions
- Define inflation
- Define trade deficit and surplus
- Define macroeconomic, fiscal, monetary, and structural policies
- Explain budget deficit and surplus
- Identify positive and normative statements
- Define and discuss aggregation