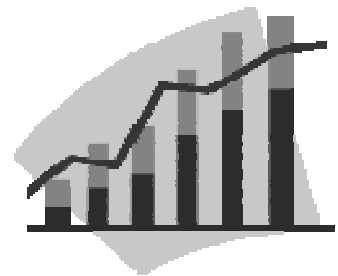


CHAPTER LEARNING OBJECTIVES

1. **STUDENTS WILL BE ABLE TO IDENTIFY, DEFINE, AND EXPLAIN A BUSINESS CYCLE**
2. **STUDENTS WILL BE ABLE TO DEFINE THE PHASES OF A BUSINESS CYCLE**
3. **STUDENTS WILL BE ABLE TO EXPLAIN THE CHARACTERISTICS OF THE PHASES OF THE BUSINESS CYCLE**
4. **STUDENTS WILL BE ABLE TO IDENTIFY AND EXPLAIN THE FACTORS THAT HAVE AN EFFECT ON THE BUSINESS CYCLE**
5. **STUDENTS WILL BE ABLE TO IDENTIFY, DEFINE, AND EXPLAIN THE PURPOSE BEHIND THE LEADING ECONOMIC INDICATORS**

WHAT IS A “BUSINESS CYCLE” ?



WHAT ARE THE 4 PHASES OF THE BUSINESS CYCLE ?

1. “EXPANSION” -

“ECONOMIC GROWTH” -

THE THREE CHARACTERISTICS OF EXPANSION PHASE :

- 1.
- 2.
- 3.

2. “PEAK” -

3. “CONTRACTION” -



THE THREE CHARACTERISTICS OF A CONTRACTION PHASE

1. “ RECESSION ” -

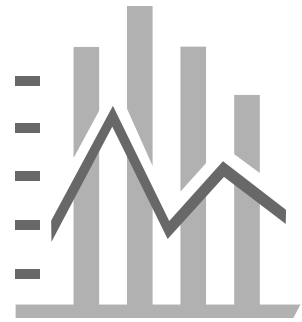
1.

2.

2. “ DEPRESSION ” -

3. “ STAGFLATION ” -

4. “ TROUGH ” -



STAGFLATION ILLUSTRATION

ECONOMIC CONDITIONS :

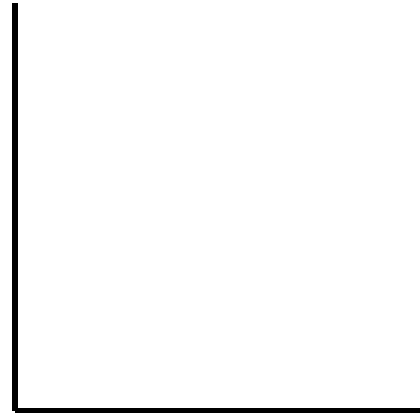
1.

2.

3.

4.

5.



4. “ RECOVERY ” -

WHAT ARE THE 4 MAIN FACTORS EFFECTING THE BUSINESS CYCLE ?

1.

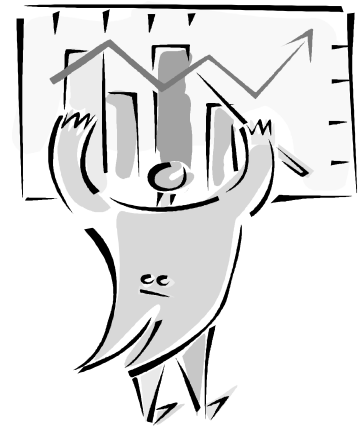
2.

1.

2.

3.

4.



CAN THE BUSINESS CYCLE BE FORECASTED , AND IF SO , HOW ?

WHAT ARE THE 3 LEADING ECONOMIC INDICATORS ?

1.

2.

3.

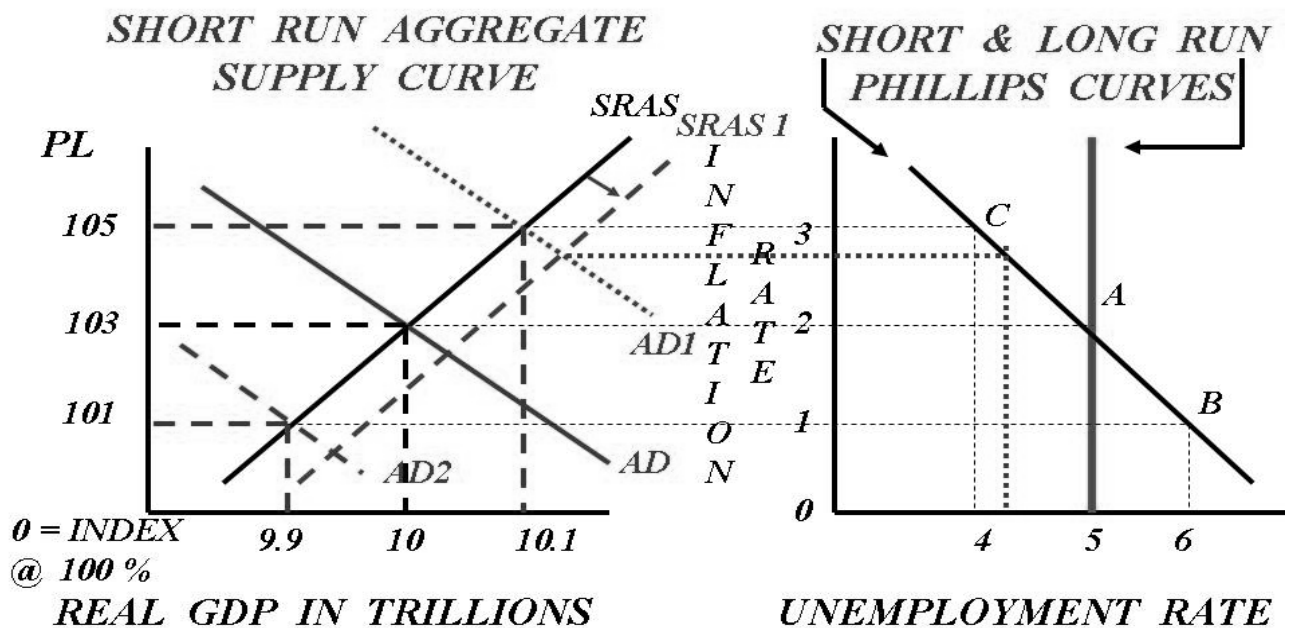
MORE ON SPECIAL MEASUREMENTS

THE RELATIONSHIP BETWEEN THE INFLATION AND UNEMPLOYMENT RATES

“ THE PHILLIPS CURVE ” -

SPECIAL MEASUREMENTS

THE PHILLIPS CURVE



“ OKUN'S LAW ” -

CAUTIONS / CONSIDERATIONS :

- 1.
- 2.
- 3.

BUSINESS CYCLES

