Name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Introduction to Business - Ch. 3 Book Questions, pgs. 44-45 (1-20).

**Part 1 – Using Business Key Words**

Instruction: Read each statement below. Choose a word from the word bank that best fits the statement and type it in the spaces provided below the statement.

|  |  |  |  |
| --- | --- | --- | --- |
| Gross domestic product | Budget surplus | Deflation | Prosperity |
| Standard of living | National debt | Business cycle | Recovery |
| Budget deficit | Inflation | Depression | Recession |

|  |  |  |
| --- | --- | --- |
| 1. | The amount of goods and services the average citizen can buy. |  |
| 2. | Repeated rise and fall of economic activity. |  |
| 3. | A general rise in the prices of goods and services. |  |
| 4. | Period of severe economic decline. |  |
| 5. | The monetary value of all the goods and services produced in a country in a given year. |  |
| 6. | A general decrease in the costs of goods and services. |  |
| 7. | When the government spends more than it collects in taxes. |  |
| 8. | A time when economic activity slows down. |  |
| 9. | The total amount of money a government owes. |  |
| 10. | The peak of economic activity. |  |
| 11. | A rise in business activity after a recession or depression. |  |
| 12. | A situation when a government’s revenue exceeds its expenditures during one year. |  |

**Part 2 – Review What You Learned**

Instructions: Read each question and answer it thoroughly in the space provided below each question.

13. What do economic indicators measure?

14. What is one very important measure of a country’s economic health?

15. Name 3 reasons people become unemployed.

16. What do changes in unemployment rate indicate?

17. Describe hyperinflation.

18. What is the main source of income for the US Government?

19. What are the four phases of the business cycle?

20. What is the difference between a recession and a depression?