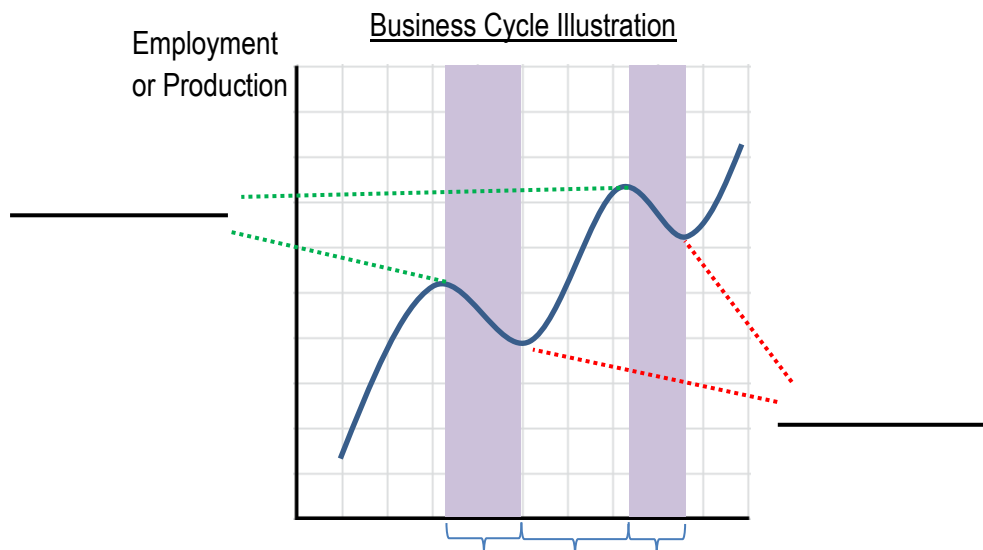


CONCEPT: INTRODUCING MACROECONOMIC CONCEPTS – BUSINESS CYCLE

- **Business Cycles** describe the increases and decreases in *economic activity* that occur over periods of several years



- ☐ **Recession** – Period of economic downturn when _____ and _____ are _____
> Recessions are also called *contractions*
- ☐ **Trough** – The point where the economy turns from _____ to _____
- ☐ **Expansion** – Period of economic upturn when _____ and _____ are _____
> Expansions are also called *recoveries*
- ☐ **Peak** – The point where the economy turns from _____ to _____

PRACTICE: Which of the following marks the beginning of a recovery in the business cycle?

- a) Recession
- b) Expansion
- c) Trough
- d) Peak