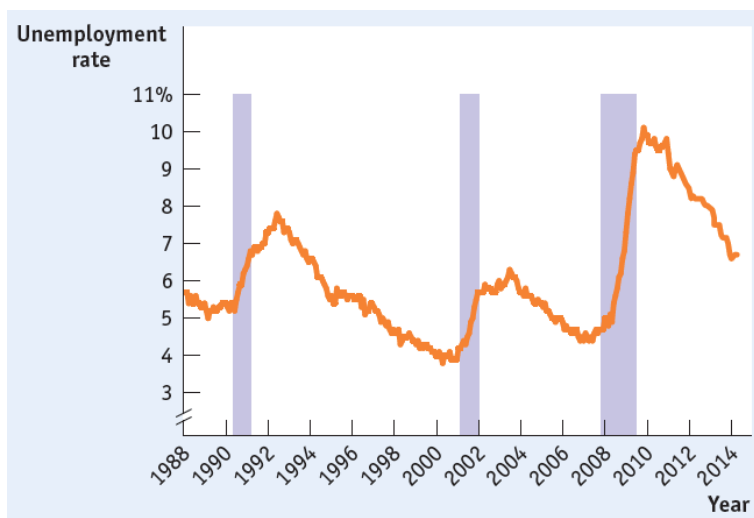


## CONCEPT: INTRODUCING MACROECONOMIC CONCEPTS – UNEMPLOYMENT AND INFLATION

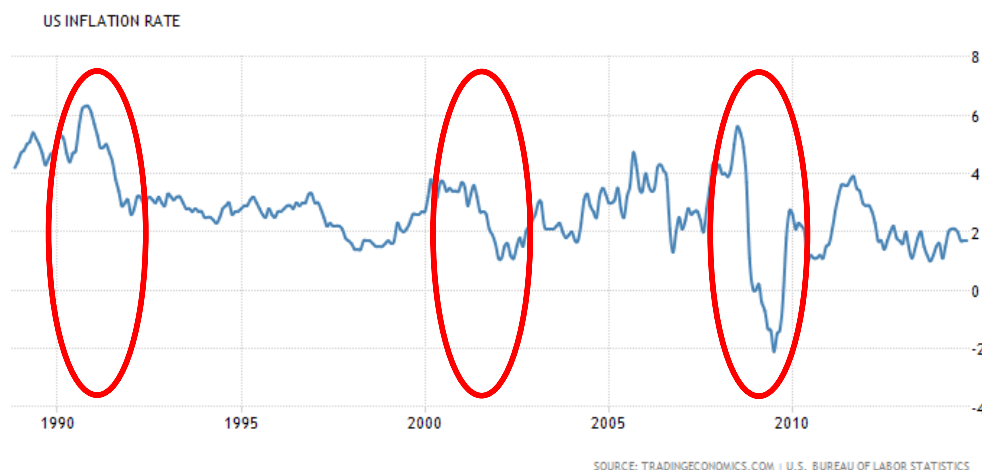
- **Unemployment** – when a person is willing to work, actively searching for work, but cannot find a job



- ☐ The **unemployment rate** tends to increase during \_\_\_\_\_
- ☐ Unemployment is undesirable because a nation is not using its most important resource – the skills of its citizens

- **Inflation** – an \_\_\_\_\_ in the overall price levels

- ☐ In contrast, **deflation** represents a \_\_\_\_\_ in overall price levels



- ☐ The **inflation rate** tends to decrease during \_\_\_\_\_
- ☐ Inflation is undesirable because income may not rise as quickly as prices, thus lowering the standard of living