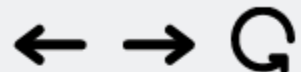Economic Issues

DEFINE GROSS DOMESTIC PRODUCT
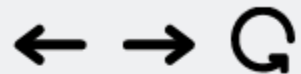
The total value of *goods produced and services provided* in a country during *one year*.

Economic Issues

DEFINE RECESSION
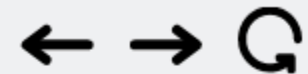
A period of *falling GDP.*
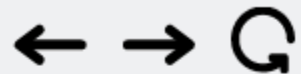
Economic Issues

DEFINE INFLATION
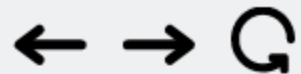
Increase **in the average** *price level of a good/service.*
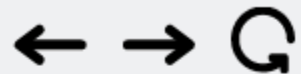
Economic Issues

DEFINE UNEMPLOYMENT

Economic Issues

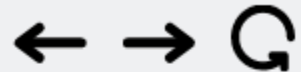People who are *willing* and *able to work can't find a job.*

Economic Issues

DEFINE ECONOMIC GROWTH

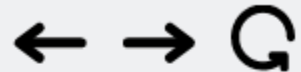When the country's *GDP increases* – more goods/services are produced when compared to the previous year.
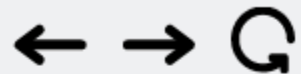
Economic Issues

DEFINE BALANCE OF PAYMENTS
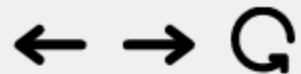
This records the *difference* between a countries *imports and exports*.

DEFINE REAL INCOME

The *value of income*, and it falls when prices increase at a faster rate their income.

DEFINE IMPORTS

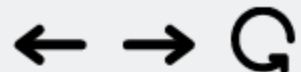Goods/services bought *into* a country *from another country.*
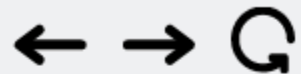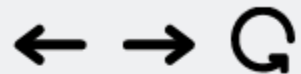
Economic Issues

DEFINE EXPORTS
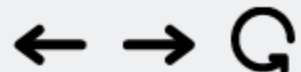
Economic Issues

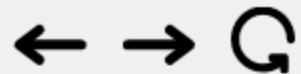**Goods/services** *sold* **to other countries** *by one country.*

DEFINE EXCHANGE RATE
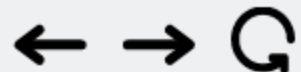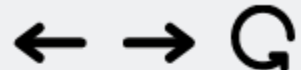
Economic Issues

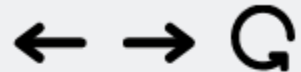**The price of** *one currency in terms of another.*

DEFINE EXCHANGE RATE DEPRECIATION

Economic Issues

Fall in the *value of a currency* as compared to other currencies.

Economic Issues

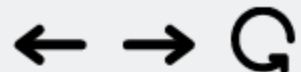# DEFINE FISCAL POLICY

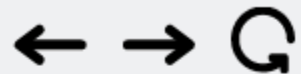Any changes by the *government* in *tax rates* or *public sector spending.*

Economic Issues

DEFINE DIRECT TAXES
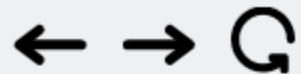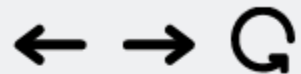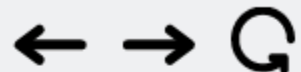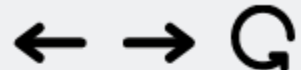
These are paid *directly from incomes.*

Economic Issues

DEFINE INDIRECT TAXES

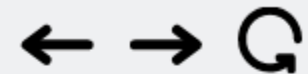Are added to the *prices of the goods* to which taxpayers pay for when they *purchase* those goods.

Economic Issues

DEFINE DISPOSABLE INCOME

Level of income a taxpayer has after paying income tax.

DEFINE IMPORT TARIFFS

Economic Issues

Tax on *imported products.*
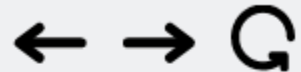
Economic Issues

DEFINE IMPORT QUOTAS
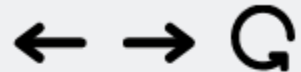
A *physical limit* on the *quantity of products* that can be imported.

DEFINE MONETARY POLICY

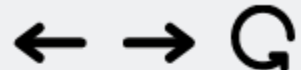*Change in the interest rates* by the government or central banks.
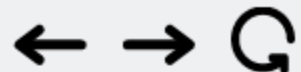
Economic Issues

DEFINE EXCHANGE RATE APPRECIATION

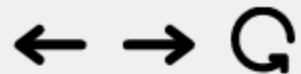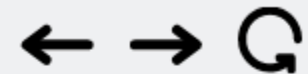*Rise in the value of a currency* when compared to other currencies.

DEFINE SUPPLY SIDE POLICY

Economic Issues

Increase the competitiveness of industry when compared against other countries.