Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**ECONOMICS**

**CHAPTER 12**

**Section 1**

1. How does Nominal GDP differ from Real GDP? What Economic activities are NOT included in GDP at all?

2. If aggregate Demand rises, what happens to real GDP? What happens to the equilibrium price level?

3. How does Gross Domestic Product (GDP) differ from Gross National Product?

4. Why is GDP measured by the Income approach and the expenditures approach?

**Section 2**

5. How can interest rates push a business cycle into a contraction?

6. Why is the stock market a leading indicator of economic change?

**Section 3**

7. What role does saving play in the process of economic growth?

8. How do patents encourage technological progress?

9. What is capital deepening, and how does it contribute to economic growth?