**Economics**

Unit 4 Review

Chapter 12, 13, 14, 15

-Gross Domestic Product

-GDP per capita

-GDP= C+G+I+(NX)

-Real GDP vs Nominal GDP

-Durable good vs non-durable good

-Final goods/services

-Phases of a business cycle

-Recession

-Capital deepening

-Disposable personal income

-Aggregate supply and demand

-Big ticket items

-Recession vs depression

-Leading Indicators

-Savings rate

-Consumer Price Index

-Market basket

-Inflation

-Demand Pull Theory of Inflation

-Cost Push Theory of Inflation

-Wage price spiral

-Social Security

-Medicaid

-F.I.C.A.

-“pay as you earn” tax (a.k.a. withholdings)

-Entitlement programs

-Major source of tax revenue for local governments

-Constitutional power to tax

-Proportional tax

-Progressive tax

-Regressive tax

-Estate tax

-Income Tax

-Tax deductions

-Tax Bracket

-Corporate Income Taxes and tax havens

-Discretionary spending

-Mandatory Spending

-(Federal vs State vs Local Spending)

-Federal Budget

-Expansionary fiscal policy

-Contractionary fiscal policy

-Budget surplus

-Budget deficit

-Balanced budget

-Automatic stabilizers

-Supply Side Economics (Trickle Down Economics, Regonomics)

-Demand Side Economics (Keynesian Economics)

-Laffer Curve

-National Debt

-“Crowding Out” of private businesses via

national debt

-Fiscal Policy

-Monetary Policy

-the Federal Reserve System (12 banks)