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

**Measuring Economic Growth – GDP, the Business Cycle, and Unemployment**

**SSEMA1: Illustrate the means by which economic activity is measured.**

**GDP PART I: – Does it count for GDP or not? Write yes or no next to each question as to whether or not it counts for the U.S.’s GDP.**

1. The rubber used to create tires for Honda’s cars. \_\_\_\_\_\_\_
2. The labor you provide for Chick-fil-a in the resource market. \_\_\_\_\_\_\_
3. The Old Navy shirts made at a factory in Cambodia. \_\_\_\_\_\_\_
4. The environmental effects of air pollution. \_\_\_\_\_\_\_
5. The money the government spends on new roads and traffic lights. \_\_\_\_\_\_\_
6. The cars made by Kia (a South Korean company) in Georgia. \_\_\_\_\_\_\_
7. The money Steven makes washing his dad’s car. \_\_\_\_\_\_\_
8. The value of the happiness and health of our country. \_\_\_\_\_\_\_

**Your turn!**

1. Name one thing that WOULD count for GDP:
2. Name one thing that WOULD NOT count for GDP:

**GDP: PART II: Decide whether each expenditure is part of Consumption “C”, Investment “I”, Government Spending “G” or Net Exports “NX”**

1. A business buys new automated manufacturing tools for their assembly line. \_\_\_\_\_\_
2. A student stops at Zaxby’s and buys a delicious “Wings-n-Things” plate. \_\_\_\_\_\_\_
3. The school district purchases new personal computers for all the teachers who work in Clarke County. \_\_\_\_\_\_
4. The Navy buys a new aircraft carrier that was produced in Florida. \_\_\_\_\_\_\_
5. Honda builds a new car manufacturing plant in Minnesota. \_\_\_\_\_\_\_
6. The amount of money spent on importing Old Navy clothes from Cambodia. \_\_\_\_\_\_\_\_

**The Business Cycle: Which phase of the business cycle is represented in the following scenarios? Is it expansion/recovery, peak, contraction, or trough?**

1. There is very high unemployment. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
2. GDP has stopped rising. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
3. Inflation is a concern. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
4. The economy is growing and GDP is rising. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
5. The business cycle is at its lowest point.
6. Stagflation is a concern. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
7. Unemployment has dropped from 5.6% to 4.2% \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
8. GDP is dropping. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
9. The business cycle is at its highest point. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
10. There is a recession. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Your turn!**

1. Draw and label the business cycle here:

**Unemployment: For each of the following situations, put the appropriate letter after the example.**

F = frictional unemployment

C = cyclical unemployment

S = structural unemployment

1. A computer programmer is laid off because of the recession. \_\_\_\_\_\_\_
2. A literary editor leaves her job in New York to look for a new job in Atlanta. \_\_\_\_\_\_\_
3. An unemployed college graduate is looking for his first job. \_\_\_\_\_\_\_
4. Advances in technology make the assembly-line worker’s job obsolete. \_\_\_\_\_\_\_
5. Slumping sales lead to the cashier at Macy’s being laid off. \_\_\_\_\_\_\_
6. And individual refuses to work for minimum wage. \_\_\_\_\_\_\_
7. A high school graduate lacks the skills necessary for a particular job. \_\_\_\_\_\_\_
8. Workers are laid off when the local manufacturing plant closes because the product made isn’t selling. \_\_\_\_\_\_\_
9. A skilled glass blower becomes unemployed when a new machine does her job faster. \_\_\_\_\_\_\_
10. Jasmine spent two years unemployed taking care of her sick mother, but now she is looking for work. \_\_\_\_\_\_\_

**Your turn!**

Think of your OWN scenarios for each of the three types of unemployment. Be original – don’t copy any of the ideas from above.

1. **Frictional:**
2. **Structural:**
3. **Cyclical:**