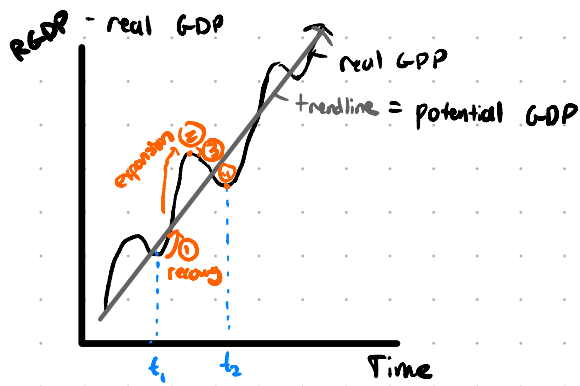




Business Cycle



Recession

- Six consecutive months of negative rGDP growth.

① Recovery / expansion

- A period of increasing rGDP over time
 - ↳ Lower unemployment
 - ↳ Higher prices: inflation

② Peak

- A period at which rGDP is highest in this one business cycle.
 - ↳ Lowest level of unemployment in the cycle
 - ↳ High prices

③ Contraction

- Period at which rGDP is falling relative to previous points in ~~this~~ business cycle
 - ↳ Higher unemployment
 - ↳ Lower prices

④ Trough

- Lowest point of rGDP in the business cycle.
 - ↳ High unemployment
 - ↳ very low prices