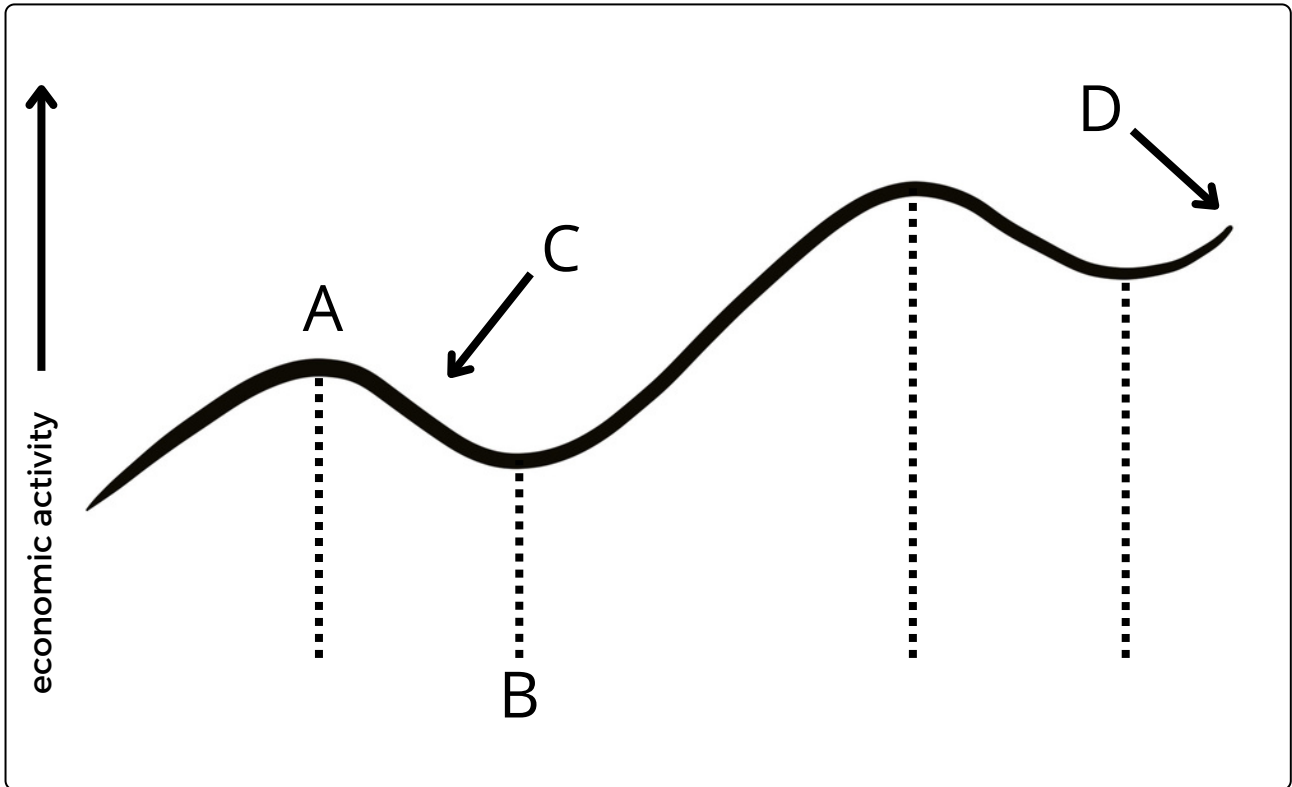




NAME: _____

The Business Cycle: Key Terms and Definitions

Label the Parts of the Business Cycle



A

B

C

D



Reflection Questions



1. From your own experience, what stage of the business cycle do you think we are in now? How do you know?

2. Now, do a little research. You can use the provided links to news sites to guide you, or find your own. After your research, do you still hold the same opinion about the stage of the business cycle? Explain your reasoning.

3. What are some key words that led you to believe that we are currently living in that stage of the business cycle?

4. Why do you think it is important to consider the business cycle when making financial decisions?



Key Terms and Definitions



Depression

Bull Market

Bear Market

Economy

Recession

Boom

Bust

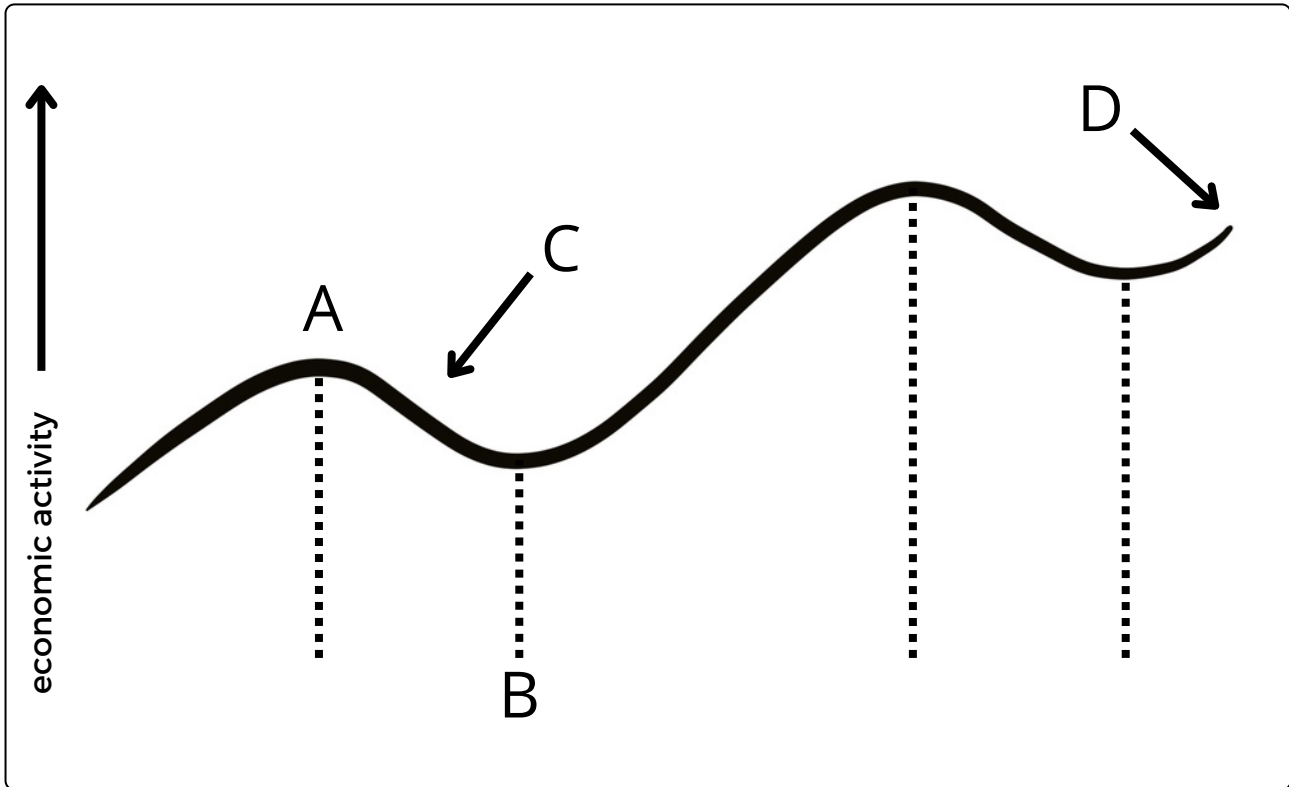
Bubble



NAME: _____

The Business Cycle: Key Terms and Definitions **Teacher Copy**

Label the Parts of the Business Cycle



A

peak

B

trough

C

recession

D

recovery



Reflection Questions

Teacher Copy



1. From your own experience, what stage of the business cycle do you think we are in now? How do you know?

answers will vary

2. Now, do a little research. You can use the provided links to news sites to guide you, or find your own. After your research, do you still hold the same opinion about the stage of the business cycle? Explain your reasoning.

answers will vary

3. What are some key words that led you to believe that we are currently living in that stage of the business cycle?

Economy moving up (expansion):

- Falling interest rates
- High employment

Economy moving down (contraction):

- Rising interest rates
- Low employment

4. Why do you think it is important to consider the business cycle when making financial decisions?

The cost of living varies depending on where we are in the business cycle:
Cost of rent, interest rates, cost of living (groceries)



Key Terms and Definitions

Teacher Copy



Depression

- An extreme recession that lasts three or more years

Bull Market

- The condition of a financial market in which prices are rising or are expected to rise.

Bear Market

- A market in which prices are falling, encouraging selling.

Economy

- The wealth and resources of a country or region, especially in terms of the production and consumption of goods and services.

Recession

- A period of economic decline
- Includes an increase in unemployment, drop in the stock market, and dip in the housing market

Boom

- A boom illustrates a period of elevated or increased growth within a business, market, industry, or economy.

Bust

- A bust is a period of time during which economic growth decreases rapidly.

Bubble

- An asset bubble occurs when the price of an asset, such as stocks, bonds, real estate, or commodities, rises at a rapid pace without underlying fundamentals