

AQA Economics AS-level

Macroeconomics

Topic 1 - Measurement of Macroeconomic Performance

Flashcards

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Availability of credit



Funds available for firms and households to borrow



Claimant count



A method of measuring unemployment by counting all of those who claim the Jobseekers Allowance and other unemployment related benefits



Consumer prices index (CPI)



Official measure used to calculate the rate of consumer price inflation, using a basket of common goods



Credit crunch



Occurs when there is low availability of credit in the economy



Economic shock



Unexpected events and their effects on economies; may be demand side or supply side



Exchange rate



The price of a currency measured in terms of another currency



Exports



Domestically produced goods and services sold to residents of other countries



Full employment



All those willing and able to work are able to find jobs



Imports



Non-domestically produced goods and services sold to residents of this country



Index numbers



Numbers allowing accurate comparisons over time to be made. The base year value is typically 100



Inflation rate target



The CPI inflation rate target set by the government, which the Bank of England attempts to achieve; currently 2%



Labour Force Survey



A quarterly survey of UK households,
recording information on the personal
employment circumstances of the
respondents



Liquidity



The ease with which an asset can be turned into cash without loss or delay



Macroeconomics



Involves the study of the whole economy
at the aggregate level



Marginal propensity to consume (MPC)



The proportion of an increase in disposable income that is spent on consumer goods



National wealth



The stock of all goods with value in the economy



Performance indicator



Provides information used to judge success or failure of a government policy



Policy instrument



Tool or set of tools used to try and meet a policy objective



Policy objective



Target or goal policy-makers aim to hit



Price index



An index number showing the extent to which a set of prices has changed in comparison to the prices in the base year



Retail prices index (RPI)



An older measure used to calculate the rate of consumer price inflation



Wealth



Stock of assets

