

AQA Economics A-level

Macroeconomics

Topic 3 - Economic Performance

Flashcards

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Activity rate/ participation rate



Activity rate/ participation rate

Proportion of the population of working age in a job or actively seeking work



Harrod-Domar model



Harrod-Domar model

Model illustrating the importance of savings and investment as key factors of economic growth



Investment



Increase in the capital stock of an economy



Money illusion



When individuals confuse nominal and real values when making economic decisions



Net inward migration



When the number of migrants entering a country exceeds the number exiting the country



Net outward migration



When the number of migrants entering a country is less than the number exiting the country



Non-accelerating inflation rate of unemployment (NAIRU)



The rate of unemployment consistent with a country experiencing a stable rate of cost & price inflation



Speculation



When uncertainty of the future impacts economic transactions



Stagflation



High inflation and high unemployment



Unemployment rate



The unemployment level as a proportion of the labour force

