**Unit 9: Government in the Economy**

Vocabulary

Antitrust laws

Bonds

Business cycle

Competition

Consumer Price Index

Depression

Expansion

Externalities

Federal Reserve

Fiscal policy

Gross Domestic Product

Inflation

Interest rate

Macroeconomics

Mergers

Monetary policy

Monopoly

Natural monopoly

Oligopoly

Recession

Reserve requirement

Standard of living

Stimulus spending

Stock market

Taxation

Trough

Unemployment

Critical Thinking Questions

* Identify the different roles that various organizations play in the overall economy such as businesses, labor unions, Congress, and the Federal Reserve.
* How does competition affect businesses and consumers in a free market economy?
* How should the government play a role in protecting competition in the US? How effective has anti-trust legislation been?
* What are the pros and cons of different types of government regulations that protect workers and consumers?
* Explain how labor unions work. How have they gained/lost power over time?
* Identify the various methods of measuring how the nation's economy is doing overall. What do different measurements tell us about the economy?
* Compare and contrast life for producers and consumers at different points along the business cycle.
* How are recessions different from depressions? To what extent can we avoid them?
* Which indicators should the government look at when making economic policies? Why?
* What are the causes and effects of inflation?
* Describe the difference between a bear market and a bull market.
* What caused the credit crunch during the Recession of 2008?
* Judge the potential effect of different fiscal policies on the nation's economy. What fiscal policies are supported by the major political parties?
* Explain the basics of government taxes and budgets.
* When would the Fed want to enact expansionary monetary policies? Contractionary?
* What sacrifices could/should different organizations and people be willing to make to protect the nation's economy?