

## 02\_Business Cycle Worksheet

2. How long does it take for the government to officially announce we are in a recession? When was the last US recession?
  3. Why is the Expansion labeled on the curve going upward? What is happening to GDP during an expansion?
  4. Why is recovery written in the parentheses below expansion? What is recovering?
  5. What are some causes of an expansion?
  6. Where on the curve is the economy doing the best? How would economist know that this is the best point the economy will reach on this business cycle?
  7. What will eventually happen after an economy has reached a peak? What could cause this change?
  8. What do you think the correlation between period of recession and the unemployment rate would be? What happens to unemployment rate during periods of expansion? What happens to unemployment rate during periods of contraction?
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1. What is a **peak**?
  2. During what month and year did the first recorded peak of a business cycle occur in the US?
  3. During what month and year did the most recent peak of a business cycle occur in the US?
  4. What is a **trough**?

5. During what month and year did the first recorded trough of a business cycle occur in the US?
6. During what month and year did the most recent trough of a business cycle occur in the US?
7. What is an **expansion**?
8. In what years was the longest recorded expansion in the US? Historically, what could have caused such a long period of expansion?
9. Another long period of expansions occurred between 1938 and 1945. What important historical event occurred during this period?
10. What is a **contraction**? What is another economic term for a period of contraction?
11. In what years was the longest recorded contraction in the US? What is the period called in United States history? What were some of the causes of this contraction?
12. How does the average number of months of expansion compared to the average number of months of contraction in the period of 1945-2001?
13. Do you see any pattern of when contractions and expansion occur in the data? Explain.
14. How does the data from historic business cycles compare to the chart from Part II showing a diagram of a business cycle? Do business cycle occur in an orderly fashion with similar lengths between peaks and troughs like in the diagram? Explain.
15. In the space below, draw a diagram that represents the business cycle from July 1990 to November 2001. Draw the expansions and contractions as accurately as possible using the data. Add dates for peaks and troughs.