**Growth**

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| 1. Why do you think GDP per capita is often used in comparisons between countries rather than GDP? (Look at UK and Luxembourg to help with your explanation.)
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| 1. We often use GDP as a key headline figure to see how the economy is performing – rising GDP is suggested to be good
 |
| * 1. Do you think this is true?
 | * 1. Are there any problems associated with using GDP for this?
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| 1. Use the information in your graph of UK GDP over the last 10 years to make a basic judgement about the current performance of the UK economy. Explain your answer.
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**Inflation**

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| Does it matter which measure of inflation we use? |
| ‘Rising inflation’ is considered bad – why do you think this is? What consequences will it have on economic agents such as firms and businesses? |
| Is inflation *really* representative of all groups in the economy? (Hint: look at the basket of goods and see how much of it applies to pensioners or single parent households, etc.) |
| Does inflation tell us the whole story? (What *doesn’t* it tell us?) |
| Use the information in your graph of UK inflation over the last 10 years to make a basic judgement about the current performance of the UK economy. Explain your answer |

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| Why do you think that economists tend to prefer the Labour Force Survey and Governments often prefer the Claimant count? |
| Which of these is the most important measure? Justify your explanation. |
| Why might firms think of rising unemployment as a good thing? (Hint: think of their wage bill…) Does this have a (positive) knock-on impact on any of the other economic indicators? Can you explain the relationship? |
| Why, when u/e falls, does the gap between the claimant count and the LFS measure get bigger? (See the period from the early 1990’s to the mid 2000’s…. Hint: think of who claims unemployment benefits…) |
| Use the information in your graph of UK unemployment over the last 10 years to make a basic judgement about the current performance of the UK economy. Explain your answer. |

**Unemployment**

**International Trade (BoP)**

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| Does it matter that the UK runs a persistent BofP Current Account deficit (we spend more on imports than we make from exports)? What do you think is good/bad about this? | Use the information in your graph of UK GDP over the last 10 years to make a basic judgement about the current performance of the UK economy. Explain your answer. |
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