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| Are you able to explain the differences between the following:   * Nominal GDP * Real GDP * Real GDP per capita? |
| Can you explain and draw the economic cycle? Can you explain how the following change along and are influenced by the economic cycle:   * GDP * Inflation * Unemployment * Investment? |
| Explain the different stages of the economy cycle and use this to explain the following:   * Demand and supply-side shocks * Positive and negative output gaps? |
| Draw and explain the circular flow of income and the equation; income = output = expenditure? |
| Draw and calculate AD and understand what factor changing leads to a movement along an AD curve |
| Explain factors that lead to a shift in AD |
| Explain the differences between SRAS and LRAS. |
| Explain the factor that leads to a movement along SRAS and factors that make SRAS shift |
| Explain the factors that make LRAS shift |
| Draw macro-equilibrium diagrams and explain how shifts in AD, SRAS and LRAS influence price levels, unemployment and economic growth |