

Glossary

Bankruptcy	a process where a person is declared insolvent (unable to pay their debts at the due time)
Consumer Price Index (CPI)	an index number that measures the level of prices of a representative collection of household goods compared to a base year
Credit	an arrangement which enables an individual or business to borrow money to purchase goods or services (or raw materials and components, etc.) and to pay for them over an extended time period
Debt	the total amount that a person owes to others
Economic growth	the increasing capacity of an economy to satisfy the wants of its people
Economic growth rate	the rate of change in GDP
Excess capacity	a situation where a business (or an industry) has the buildings, equipment etc to produce more than is currently being demanded, resulting in a proportion of its capacity being left idle
Financial anxiety	concern about personal financial position
Financial hardship	the inability to pay for basics such as food or clothing
Financial resilience	the ability to withstand unexpected financial events
Full capacity	the potential output that a business could produce with existing buildings and installed equipment
Gross Domestic Product (GDP)	the market value of goods and services produced in a country over a specified period of time (usually one year)
Hyperinflation	a period of very rapid increase in the general level of prices
Income distribution	the spread across the population of income
Inflation	an increase in the general level of prices
Inflation rate	the percentage increase in the general level of prices over a specified period of time
Loan	the advance of a specified sum of money to a person or business (the borrower) usually by a financial institution (the lender)

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Negative externality	a negative side effect of production or consumption that is imposed on someone else
Productivity	the efficiency with which goods and services are produced
Real GDP	GDP adjusted for inflation
Recession	a period of low or negative economic growth, often identified as two consecutive quarters of negative GDP growth
Standard of living	the amount of goods and services produced and available for purchase by the people in an economy
Term deposit account	an account with a financial institution into which money is deposited for a set period of time
Transaction account	an account with a financial institution that is used for day-to-day banking (such as paying bills and having wages deposited)
Unemployment	being willing and able to work but unable to find a job
Unemployment rate	the percentage of the labour force not working
Wealth (or net worth)	the value of assets minus debts
Wealth distribution	the spread across the population of the value of accumulated assets