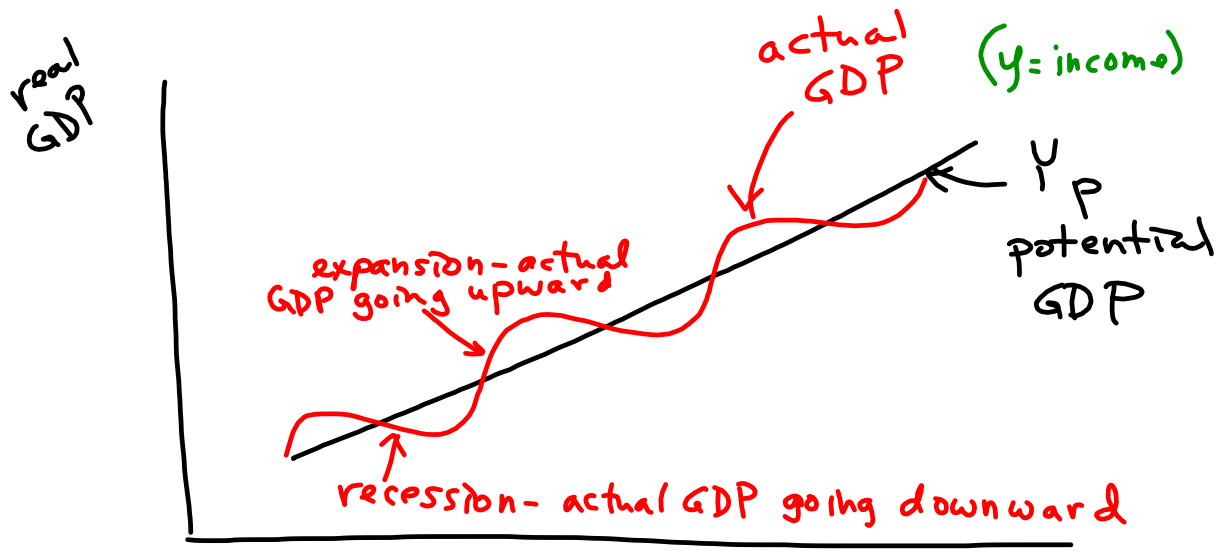


reconomics website

Micro: Profit

<p>Go to Movie: $+ \\$15$ no explicit exp. <hr style="width: 50%; margin-left: 0;"/> $\\$15$ $- \quad 56$ o. c. <hr style="width: 50%; margin-left: 0;"/> $- \\$41$ (babysitting) net loss (econ. loss)</p>	<p>Revenue $-$ explicit expenses $=$ Accounting Profit $-$ Implicit (o.c.) <hr style="width: 50%; margin-left: 0;"/> $=$ Econ. Profit</p>
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←



GDP = Gross Domestic Product - sum of final goods + services produced in economy

NBER - National Bureau of Economic Research

decides when recessions begin and end

Q: does it make sense for actual GDP to be greater than potential GDP?

Expansions :

unemployment ↓

prices & wages ↑
(inflation)

Recessions :

unemployment ↑

(try to avoid price levels
going down)

Deflation vs. disinflation

↑
prices
getting
lower

(- 0.3%)

↑
inflation rate
getting
lower

1.8% → 1.6%