

1. <b>business cycle</b>	fluctuations in the level of economic growth due to either domestic or international factors	16. <b>leakages</b>	the items that remove money from the circular flow of income, decreasing aggregate income and the general level of economic activity; these include savings, taxation and imports
2. <b>capital goods</b>	items that have not been produced for immediate consumption but will be used for the production of other goods	17. <b>merit goods</b>	goods that are not produced in sufficient quantity by the private sector because private individuals do not place sufficient value on those goods
3. <b>capital resources</b>	human-made goods that are used to produce other goods and services, such as plant, machinery and equipment	18. <b>mixed economy</b>	an economic system where the decisions concerning production and distribution are made by a combination of market forces and government decisions
4. <b>competition</b>	the pressure on business firms in a market economy to lower prices or improve the quality of output to increase their sales of goods and services to consumers	19. <b>natural resources</b>	the resources provided by nature that are used to produce goods and services
5. <b>consumer goods and services</b>	items produced for the immediate satisfaction of the individual and community needs and wants	20. <b>opportunity cost</b>	the cost of satisfying one want over an alternative want
6. <b>consumer sovereignty</b>	the manner in which consumers, collectively through market demand, determine what is produced and the quantity of production	21. <b>price mechanism</b>	the process by which the forces of supply and demand interact to determine the market price at which goods and services are sold, and the quantity produced
7. <b>distribution of income</b>	the way in which an economy's income is spread among the members of different social and socio-economic groups	22. <b>production possibility frontier</b>	a graphical representation of all the possible combinations of the production of two goods or services that the economy can produce at any given time
8. <b>economic growth</b>	where there is an increase in real GDP	23. <b>product market</b>	the interaction of demand for and supply of the outputs of production
9. <b>equilibrium</b>	when the sum of all the leakages is equal to the sum of all the injections in an economy	24. <b>recession</b>	the stage of the business cycle where there is decreasing economic activity, defined as two consecutive quarters of negative economic growth
10. <b>factor market</b>	a market for any input into the production process, including land, labour, capital and enterprise		
11. <b>factors of production</b>	any resources that can be used in the production of goods and services; these include natural resources, capital, labour and enterprise		
12. <b>gross domestic product (GDP)</b>	the total market value of all final goods and services produced in an economy over a period of time		
13. <b>human development index (HDI)</b>	a measure of economic development devised by the United Nations Development Program; takes into account life expectancy at birth, levels of educational attainment and material living standards		
14. <b>injections</b>	flows of money that increase aggregate income and the general level of economic activity; these include investment, government spending and exports		
15. <b>labour resources</b>	the physical and mental capacities of people that are used to produce goods and services		