

1. business cycle	fluctuations in the level of economic growth due to either domestic or international factors	16. leakages	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. capital goods	items that have not been produced for immediate consumption but will be used for the production of other goods	17. merit goods	goods that are not produced in sufficient quantity by the private sector because private individuals do not place sufficient value on those goods
3. capital resources	human-made goods that are used to produce other goods and services, such as plant, machinery and equipment	18. mixed economy	an economic system where the decisions concerning production and distribution are made by a combination of market forces and government decisions
4. competition	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. natural resources	the resources provided by nature that are used to produce goods and services
5. consumer goods and services	items produced for the immediate satisfaction of the individual and community needs and wants	20. opportunity cost	the cost of satisfying one want over an alternative want
6. consumer sovereignty	the manner in which consumers, collectively through market demand, determine what is produced and the quantity of production	21. price mechanism	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. distribution of income	the way in which an economy's income is spread among the members of different social and socio-economic groups	22. production possibility frontier	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. economic growth	where there is an increase in real GDP	23. product market	the interaction of demand for and supply of the outputs of production
9. equilibrium	when the sum of all the leakages is equal to the sum of all the injections in an economy	24. recession	the stage of the business cycle where there is decreasing economic activity, defined as two consecutive quarters of negative economic growth
10. factor market	a market for any input into the production process, including land, labour, capital and enterprise		
11. factors of production	any resources that can be used in the production of goods and services; these include natural resources, capital, labour and enterprise		
12. gross domestic product (GDP)	the total market value of all final goods and services produced in an economy over a period of time		
13. human development index (HDI)	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. injections	flows of money that increase aggregate income and the general level of economic activity; these include investment, government spending and exports		
15. labour resources	the physical and mental capacities of people that are used to produce goods and services		