

The Business Cycle Activity Answer Key

Directions: You will be working with a partner to respond to these situations. Your teacher will read each statement, then give you one minute to discuss the potential answer with your partner. Once selecting an answer, you should place an X on this sheet showing your answer and hold up the card corresponding with your answer.

	Expansion	Contraction	Peak	Trough
Economic activity at its highest			X	
Lowest period for production				X
Businesses produce more and hire more employees	X			
Consumer spending is rising on all items	X			
Production is cut down		X		
Business profits are on the decline		X		
Inflation is increasing	X			
The economy slows down		X		
GDP is rising out of a recession	X			
Unemployment is at its highest				X