

INTRO TO BUSINESS

CHAPTER 2

THE BUSINESS CYCLE IN PICTURES PROJECT

For this assignment, you and your partner are going to use GOOGLE SLIDES to explain the stages of the business cycle by using pictures that you find on the internet to visually represent what is going on during each stage.

Your projects must include:

- 10 pictures with descriptions for each stage of the business cycle
- Title slide with name, period # and some sort of business image
- One slide must have the entire business cycle represented on it showing all stages
 - You can draw this or find one online-BUT – each stage must be labeled correctly.
- Minimum of 2 slides per stage of the business cycle
 - Points:
 - 40 images and 40 descriptions (1 point for each pair)
 - Title slide (5 points)
 - Business cycle slide (5 points)

Some things that happen during the four stages of the Business Cycle are:

Prosperity

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| ☺ Peak of economic success | ☺ Interest rates may go up for loans |
| ☺ People who want jobs can have them | ☺ Stock prices are higher due to higher profitability |
| ☺ Standard of living is high | ☺ Luxury items are purchased more readily |
| ☺ GDP increases | ☺ Vacations, etc. increase |
| ☺ Production increases | ☺ Higher wages earned |
| ☺ Housing markets and others are doing very well | ☺ New businesses pop up |
| ☺ National debt can decrease | ☺ Spending by consumers, government, and businesses increases |
| ☺ Taxes can decrease | ☺ Inflation may increase |
| ☺ Bank loans increase | |
| ☺ Profits are up for businesses | |

Recession

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| ☹️ | Layoffs are possible | ☹️ | Businesses buy less machinery/equipment |
| ☹️ | Unemployment begins to rise | ☹️ | People use credit more and default on credit more |
| ☹️ | Production decreases | ☹️ | Business cut back on production |
| ☹️ | Supply increases | ☹️ | Standard of living can decrease |
| ☹️ | Crime may increase | ☹️ | Government tries to pull us into a recovery before depression sets in through: |
| ☹️ | Demand for products decreases | ○ | ○ Government programs |
| ☹️ | Deflation may occur | ○ | ○ Creating jobs |
| ☹️ | GDP decreases | ○ | ○ Tax breaks |
| ☹️ | National debt may increase | ○ | ○ Potentially damaging to other countries as well |
| ☹️ | Household income and spending are lowered | ○ | ○ Potential for war |
| ☹️ | Many people choose to not make large purchases (homes, cars, luxury items, etc) | | |

Depression

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|----|--|----|--|
| ☹️ | Unemployment is very high (went up 800% during the Great Depression) | ☹️ | Crime will increase |
| ☹️ | Businesses close | ☹️ | Can affect other countries too |
| ☹️ | Lots of foreclosures (losing homes) and bankruptcies | ☹️ | Health can decrease |
| ☹️ | People have a hard time affording the necessities | ☹️ | Surviving businesses do not expand or purchase new machinery, etc. |
| ☹️ | Banks may fail | ☹️ | Stock prices are very low due to poor demand |
| ☹️ | Virtually no consumer spending | ☹️ | Potential for war increases |
| ☹️ | Major overstock of products | ☹️ | GDP continues to decline |

Recovery

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|---|--|---|-----------------------------------|
| ↑ | Government programs begin to work | ↑ | Production increases |
| ↑ | Unemployment decreases | ↑ | GDP begins to increase |
| ↑ | Consumers begin to buy more | ↑ | Housing and other markets improve |
| ↑ | Businesses begin to hire more workers and expand | ↑ | Profits begin to increase |