

9 Growth and unemployment – Part 2 —Answers

Answers

Work through these after trying the questions yourself.

9.6 What the economy can produce at full capacity.

9.7 The difference between actual output and potential output.

9.8 Growth that meets today's needs without harming future generations.

9.9 Frictional unemployment.

9.10 Cyclical unemployment.

9.11 This is *seasonal* unemployment. The demand for ski-resort work depends on the time of year —there is plenty in winter but almost none in summer —so the resort lays off staff during the off-season, when there is no work for them.