AP Macroeconomics

A macro FRQ point is a definition plus a direction: name the concept, then say which curve shifts, which way, and what happens to output, the price level or the interest rate. Write each definition below in one sentence, and always finish with "therefore …". 宏观题的得分点是"定义 + 变动方向":写出术语后必须说明曲线怎么移动、结果如何。

Measuring the economy

Gross domestic product 国内生产总值 — the market value of all final goods and services produced within a country in a given period

Real GDP 实际国内生产总值 — GDP valued at base-year prices, so that changes reflect output rather than inflation

Unemployment rate 失业率 — the number unemployed as a percentage of the labour force, where the labour force excludes those not seeking work

Structural unemployment 结构性失业 — unemployment arising from a mismatch between workers' skills or location and the jobs available

Frictional unemployment 摩擦性失业 — short-term unemployment while workers move between jobs; it exists even at full employment

Natural rate of unemployment 自然失业率 — the sum of frictional and structural unemployment, the rate at which the economy is at full employment

Consumer price index 消费者价格指数 — a measure of the price of a fixed basket of goods relative to a base year, used to calculate inflation

Real interest rate 实际利率 — the nominal interest rate minus the inflation rate; it is what determines borrowing and lending decisions

Aggregate demand and supply

Aggregate demand 总需求 — the total quantity of real output demanded at each price level, equal to consumption plus investment plus government spending plus net exports

Short-run aggregate supply 短期总供给 — the total output firms will produce at each price level while input prices, especially wages, are fixed

Long-run aggregate supply 长期总供给 — output at full employment, vertical at potential GDP because in the long run all prices adjust

Recessionary gap 衰退缺口 — the shortfall of equilibrium output below potential GDP, associated with unemployment above the natural rate

Inflationary gap 通胀缺口 — the excess of equilibrium output above potential GDP, which puts upward pressure on wages and prices

Multiplier 乘数 — the factor by which an initial change in spending changes total output, equal to $1 \div (1 - \text{MPC})$

Crowding out 挤出效应 — the fall in private investment caused when government borrowing raises the real interest rate

Money, banking and policy

Money supply 货币供给 — the total quantity of currency and deposits available in an economy; M1 is currency plus checkable deposits

Required reserve ratio 法定准备金率 — the fraction of deposits a bank must hold rather than lend; its reciprocal is the money multiplier

Open market operations 公开市场操作 — central bank purchases or sales of government bonds, which change bank reserves and so the money supply

Expansionary monetary policy 扩张性货币政策 — increasing the money supply to lower the nominal interest rate, which raises investment and shifts aggregate demand right

Fiscal policy 财政政策 — changes in government spending or taxation used to shift aggregate demand

Phillips curve 菲利普斯曲线 — the short-run inverse relationship between unemployment and inflation; it is vertical in the long run at the natural rate

The open economy

Balance of trade 贸易差额 — the value of a country's exports minus its imports of goods and services

Appreciation 升值 — a rise in the value of a currency against another, which makes exports dearer and imports cheaper

Loanable funds market 可贷资金市场 — the market in which savers supply and borrowers demand funds, determining the real interest rate