Output measures, spending and the multiplier / Inflation, unemployment and policy judgement

Pearson Edexcel · International GCSE · Economics · Vocabulary in context

Word	Example
nominal GDP /ˈnɒmɪnl ˌdʒiː diː ˈpiː/	**Nominal GDP** uses today's prices.
real GDP /rɪəl ˌdʒiː diː ˈpiː/	**Real GDP** removes the effect of rising prices.
per capita /pɜː ˈkæpɪtə/	GDP **per capita** is GDP divided by the number of people. GDP GDP
aggregate demand /ˈægrɪgeɪt dɪˈmænd/	**Aggregate demand** is the total spending in the economy.
disinflation /ˌdɪsɪnˈfleɪʃn/	When inflation falls from 6% to 2%, that is **disinflation**: prices still rise, but more slowly. 6% 2%
deflation /diːˈfleɪʃn/	During **deflation**, prices in general fall.
fiscal policy /ˈfɪskl ˈpɒlɪsi/	Changing taxes and government spending is **fiscal policy**.
supply-side policy /səˈplaɪ saɪd ˈpɒlɪsi/	Training workers is a **supply-side policy**.

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