

Name: \_\_\_\_\_ Date: \_\_\_\_\_

## Business Cycle Group Work

### OBJECTIVES:

Students will be able to:

- Describe the different phases of the business cycle.
- Examine the leading economic indicators and their connection to the business cycle.

### DIRECTIONS:

- Each group of four will be assigned a phase of the business cycle (expansion; peak; recession; trough).
- As a group, you will work together to do the following:
  1. Fill in the corresponding column in the Business Cycle chart (on your worksheet)
  2. Answer the “Group Questions: Phase I” together.
  3. During the “Rotation,” you will be the expert that teaches the other groups what happens to each of the Economic Indicators in your phase. Each of you take a turn and teach your new group.
  4. Fill in the rest of your Business Cycle chart accordingly.
  5. Working together in your new group, answer “Group Questions: Phase II.”

INDICATOR	PHASE OF BUSINESS CYCLE			
	<i>Expansion</i>	<i>Peak</i>	<i>Recession</i>	<i>Trough</i>
<b>Interest Rates</b>			Reach highest point then falls	
<b>Stock Prices</b>	Rising, perhaps rapidly			
<b>Consumer Confidence</b>				
<b>Business Profits</b>				
<b>Consumer Spending</b>		Rising on all items		
<b>Industrial Production</b>				
<b>Housing Construction</b>				
<b>Business Investment</b>				At its lowest

### GROUP QUESTIONS: PHASE I

1. As a group, describe the phases of the business cycle. Write down a rough definition.

Expansion -

Peak -

Recession -

Trough -

2. As a group, come up with a quick explanation for each of the indicators listed in the chart above. Write these in the spaces below.

Interest Rates -

Stock Prices -

Consumer Confidence -

Business Profits -

Consumer Spending -

Industrial Production -

Housing Construction -

Business Investment -

## ROTATION – ROTATE TO ANOTHER GROUP!

### GROUP QUESTIONS: PHASE II

In your new group, answer the following questions together:

1. What is a business cycle?
2. What keeps the business cycle going?
3. How do economists forecast business cycles?

### STUDENT SELF REFLECTION:

Rate your knowledge of the Business Cycle objectives listed above (circle): 1 ~ 2 ~ 3 ~ 4 ~ 5

Based on this, what more will you need to do to make you more confident?