**Unit 3 Macroeconomics Study Guide**

1. **Be able to define the economic tools used to measure the economy**
   1. **Nominal GDP**
   2. **Real GDP**
   3. **CPI**
   4. **Inflation Rate**
   5. **Unemployment**
2. **Know the differences between structural, cyclical and frictional unemployment and who counts towards unemployment rates and who doesn’t.**
3. **Be able to calculate the unemployment rate.**
4. **What are aggregate demand and aggregate supply?**
5. **Who benefits and who loses from unanticipated inflation?**
6. **Define the stages of the business cycle and be prepared to label them on a blank model**
7. **What is the Federal Reserve, how many districts are there, what is the FOMC and the Board of Governors?**
8. **Define Monetary policy.**
9. **What are the four most popular tools of Monetary policy that the Fed uses?**
10. **Describe each of the monetary policies and how they are used during expansionary and contractionary periods.**
11. **Define Fiscal Policy**
12. **What are the two tools the Government can use for Fiscal Policy?**
13. **How are these two tools used to promote price stability, full employment and economic growth?**
14. **What is the difference between deficit and debt, and how does a deficit/surplus impact national debt?**