**Outline for Test Eco12 Unit 4**

Know the types of unemployment: structural, frictional, cyclical, and seasonal.

Know how each type of unemployment would affect the economic growth of the economy.

Be able to explain and draw a diagram showing how growth can occur if we increase productivity (producing more things using the same or fewer amounts of inputs)

Explain stainable development

Give examples of sustainable development that we use in Canada and explain what makes it sustainable

What are the pros and cons of sustainable development?

Explain GDP

Know how GDP is calculated (total market value of all final goods and services produced within a country in one year. It can be calculated using the expenditure (total that is spent on all final goods and services in one year) or the income approach (the total amount of income earned by the different factors of production (wages, rent, interest, and profit) in producing the final goods and services). In each case the amount should be the same). The expenditure approach is calculated by adding up C + G + I + (X-M). C = consumption (what households spend on goods and services)

G = government (what the government spends on goods and services)

I = investments (the amount of money spend on purchasing new capital goods for use in the production process, construction of new buildings and changes to businesses inventories)

(X-M) = value of exports. X is the value of exports and M is the value of imports (we can’t include imports in our calculation because these are goods that have been made by other countries).

What would happen to the GDP if economic capacity decreased?