**The Business Cycle**

Economic conditions are generally subject to constant change. There good times when the economy is on the upswing, and there are bad times when business declines. Economists, who chart upswings and downswings of the economy over a period of years, call these ups and downs the “business cycle.” They identify four stages:

1. Prosperity 2. Recession 3. Depression 4. Recovery

Your task: Using the “Business Cycle” handout, fill in the comparison organizer below, to show the characteristics of the economic activity for each phase of the business cycle.

Phases of the Business Cycle

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Characteristics of Each phase | Prosperity | Recession | Depression | Recovery |
| 1. Sales |  |  |  |  |
| 2. Wages |  |  |  |  |
| 3. Prices |  |  |  |  |
| 4. Production |  |  |  |  |
| 5. Business profits |  |  |  |  |
| 6. Business failures |  |  |  |  |
| 7. Demand for goods |  |  |  |  |
| 8. Labour unrest |  |  |  |  |
| 9. Unemployment |  |  |  |  |