

ECONOMICS

Grade 10 | Module 1.4

The Business Cycle

Student Note-Building Framework

*Use this handout alongside the online content to build your own set of notes.
Fill in definitions, examples, and summaries as you work through each section.*

Name:

Class:

Date:

How to Use This Handout

- 1. Read the online content** — Work through each section on the course website before completing the corresponding section here.
- 2. Fill in key terms** — Write definitions in your own words — this helps you remember them better than copying.
- 3. Complete the prompts** — Answer the guiding questions using the lined spaces provided.
- 4. Add your own notes** — Use the margins and blank spaces to add examples, diagrams, or extra details.
- 5. Use the checkboxes** — Tick off items as you complete them to track your progress.
- 6. Reflect** — The reflection boxes at the end of each section help you check your understanding.

1. The Cyclical Course of Economic Activities

After reading the online content, complete the following:

Describe in your own words the pattern of economic activity in any economy:

1.1 Definition of a Business Cycle

Business cycle	
Upswing	
Downswing	

What indicator is used to measure the level of economic activity?

1.2 Economic Indicators

List the economic indicators that show whether economic activity is increasing or decreasing:

If these indicators increase, what does that tell us about the economy? And if they decrease?

Section 1 — Check Your Understanding

Can you define a business cycle in your own words?

Can you name at least five economic indicators?

2. Characteristics of the Business Cycle

2.1 The Upswing Phase (Expansion)

The upswing has two parts. Describe conditions before the recovery begins:

Now summarise each phase of the upswing:

Phase	What happens?	What triggers the change?
Recovery phase		
Prosperity phase		

What causes the prosperity phase to end and the peak to be reached?

2.2 The Downswing Phase (Contraction)

Summarise each phase of the downswing:

Phase	What happens?	Key features
Recession phase		
Depression phase		

Use the space below to sketch or label a simple business cycle diagram showing: recovery, prosperity, peak, recession, depression, and trough.

My business cycle diagram:

 Section 2 — Check Your Understanding

Can you name and describe all four phases of the business cycle?

Can you explain what happens at the peak and at the trough?

3. Reasons for Business Cycles

Exogenous reasons (outside the economy)	Endogenous reasons (inside the economy)

Give examples of exogenous reasons and explain how each can affect the economy:

Exogenous reasons — examples	
Climate changes	
Economic shocks	
Epidemics	
Political changes abroad	

Give examples of endogenous reasons and explain how each can affect the economy:

Endogenous reasons — examples	
Changes in injections / withdrawals	
Business confidence	
Political changes	
Role of government	
Structural changes	

--	--

 Section 3 — Check Your Understanding

Can you explain the difference between exogenous and endogenous reasons?

Can you give at least two examples of each type?

4. The Measurement of Business Cycles

Describe each way of measuring a business cycle:

Measurements	
Peak to peak	
Trough to next peak	
Amplitude	
Gradient	

Section 4 — Check Your Understanding

Can you explain what amplitude and gradient mean in the context of the business cycle?

5. Time Series, Trends and Turning Points

5.1 Turning Points

Peak	Trough

5.2 The Trend

What is a trend in the context of a business cycle graph?

What is the difference between the trend line and the cycles around it?

5.3 A Time Series

Time series	
-------------	--

Independent variable	Dependent variable

Why is time the independent variable and real GDP the dependent variable?

Section 5 — Check Your Understanding

Can you explain what a time series is and identify the independent and dependent variables?

Can you describe what the trend line shows versus what the cycles show?

6. The Consequences of Business Cycles

For each consequence, describe what happens during the upswing and the downswing:

6.1 Total Demand and Supply

Total demand	
Total supply	

During the downswing	During the upswing

6.2 Economic Growth Rate

During the downswing	During the upswing

Why is an increase in economic growth important? Give three reasons:

6.3 Employment

During the downswing	During the upswing

Why is full employment never fully achieved, even during the prosperity phase?

6.4 Price Levels

During the downswing	During the upswing

Explain the link between demand, shortages, and inflation during the prosperity phase:

6.5 Exchange Rates

Exchange rate	
---------------	--

During the downswing	During the upswing

6.6 Economically Vulnerable People

Economically vulnerable people	
--------------------------------	--

During the downswing	During the upswing

Why are economically vulnerable people the most affected by the business cycle?

 Section 6 — Check Your Understanding

Can you describe at least four consequences of the business cycle?

Can you explain what happens to employment, prices, and exchange rates during each phase?

Can you explain how business cycles affect vulnerable people?

Module 1.4 — Summary & Self-Assessment

Tick each item when you are confident you understand it.

- ☐ I can define a business cycle and explain its cyclical nature.
- ☐ I can explain what an upswing and a downswing are.
- ☐ I can name at least five economic indicators.
- ☐ I can describe the recovery and prosperity phases of the upswing.
- ☐ I can describe the recession and depression phases of the downswing.
- ☐ I can explain what happens at the peak and the trough.
- ☐ I can distinguish between exogenous and endogenous reasons for business cycles with examples.
- ☐ I can explain how a business cycle is measured (peak to peak, amplitude, gradient).
- ☐ I can define a turning point, a trend, and a time series.
- ☐ I can identify the independent and dependent variables in a time series.
- ☐ I can describe how total demand and supply change during the business cycle.
- ☐ I can explain the consequences for economic growth, employment, and prices.
- ☐ I can explain how exchange rates are affected by the business cycle.
- ☐ I can explain how business cycles affect economically vulnerable people.
- ☐ I can draw or label a business cycle diagram from memory.

Personal Notes & Questions

Use this space to write down any questions, ideas, or connections you want to explore further: