INFLUENCES ON THE BUSINESS CYCLE

**Business Investment**

* Businesses invest in \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ –\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_- to increase their production
* High levels of business investment promote \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ in the business cycle.
* Low levels of investment contribute to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.



**Money & Credit**

* Many times, the amount of money in \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ depends mainly on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.
* Individuals and businesses generally borrow more money to make purchases when \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

**Public Expectations**

* Expectations about future economic conditions can shape \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_behavior as well.
* If consumers believe that the economy is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, they may decide to limit their spending in order to save money for the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

**External Factors**

* Changes in the world’s \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ or \_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_ also affect the business cycle in the United States.
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* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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| LEADING  INDICATORS | COINCIDENT INDICATORS | LAGGING  INDICATORS |
|  |  |  |
| Examples: | Examples: | Examples: |

**PREDICTING THE BUSINESS CYCLE**