

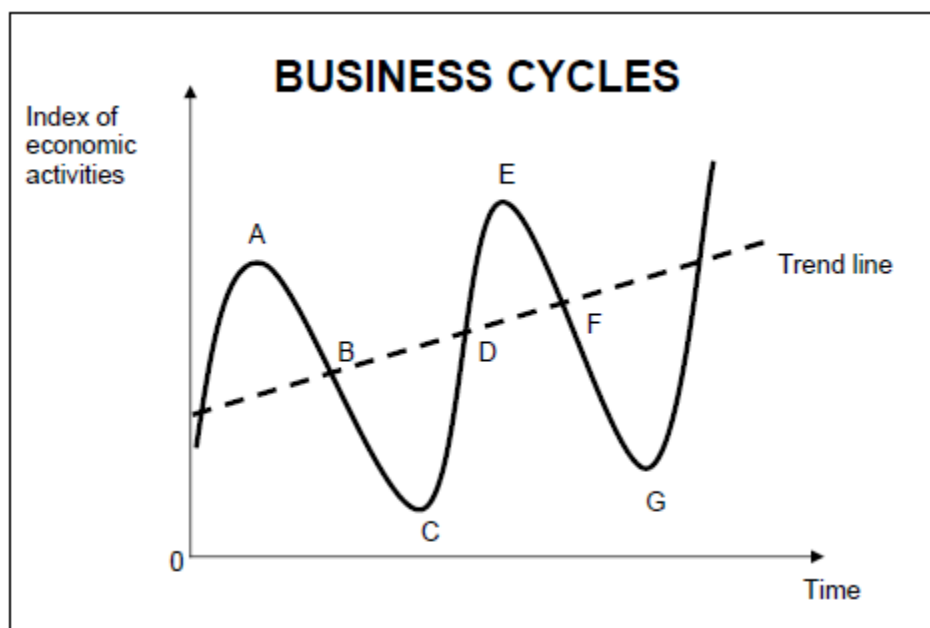
## REVISION QUESTIONS – BUSINESS CYCLES

### A. Indicate whether the following statements are TRUE or FALSE

1. An economic cycle is the repeating pattern of increases and decreases in the level of economic activity that occurs within a country.
2. A business cycle and a circular flow of an economy is the same thing.
3. A recession occurs when there is a decline in economic activity.
4. When there is an upswing in the economy there will be a decrease in the economic activity in that country.
5. In a downswing phase business enterprises produce less, and as a result they make larger profits.
6. Prices will rise during a depression phase because of the surpluses of goods and services on markets.
7. During an upswing there will be a decrease in the demand for the rand that will lead to the depreciation of weakening of the South Africa's currency.

(14)

### B. Study the following graph and answer the questions that follow.



1. Describe the term business cycle. (2)
2. Name the label A. (2)
3. Name the label C (2)
4. Name the phase represented by..  
AB (1)  
BC (1)  
CD (1)  
DE (1)

