

MEASURING ECONOMIC PERFORMANCE

Base year	Year used as the beginning or the reference year for constructing an index	Bázis év
Basket of goods	A relatively fixed set of consumer products and services valued and used on an annual basis to track inflation in a specific market or country	Fogyasztói kosár
Consumer Price Index (CPI)	A measure of the overall level of prices that shows the cost of a fixed basket of consumer goods relative to the cost of the same basket in a base year	Fogyasztói árindex
Depreciation	The measure of the decrease in the value of capital assets as they wear out over time	Értékcsökkenés
Disposable Personal Income (DPI)	The total amount of money available for an individual or population to spend or save after taxes have been paid	Rendelkezésre álló személyes jövedelem
Factor of production	An input used to produce goods and services. For example, capital and labour	Termelési tényező
Final Goods	Are not produced for either resale or for use in the production of other goods	Késztermék
GDP deflator	The ratio of nominal GDP to real GDP. It compares the current price of the basket to the price of the same basket in the base year	GDP deflátor
GDP per capita	GDP divided by population	Egy főre jutó GDP
GDP PPP (Purchasing-power parity)	It is gross domestic product converted to international dollars using purchasing power parity rates. An international dollar has the same purchasing power over GDP as a U.S. dollar has in the United States	Vásárlóerőparitáson mért GDP
Government purchases	Expenditures made in the private sector by all levels of government	Állami kiadások
Gross Domestic Product (GDP)	The market value of all final goods and services produced in a country during a calendar year by factors of production located within that country	Bruttó hazai termék
Gross National Product (GNP)	It measures the value of goods and services that the country's citizens produced regardless of their location	Bruttó nemzeti termék
Intermediate goods	Are produced by one firm for use by another firm to produce a final good (or another intermediate good)	Félkész termék
National Income (NI)	The total income earned by the citizens of the national economy as a result of their ownership of resources used in the production of final goods and services during a given period of time	Nemzeti jövedelem
Net National Product (NNP)	A country's GNP adjusted to deduct capital depreciation during the period	Nettó nemzeti termék
Nominal GDP	Value of goods and services measured at current prices	Nominál GDP
Personal Income (PI)	All of the income that is received by individuals, but not necessarily earned	Személyes jövedelem
Real GDP	The value of goods and services measured at constant prices	Reál GDP
Transfer payments	Payments from the government to individuals that are not in exchange for goods and services	Transzfer kifizetések
Value added	The difference between a firm's total revenue and what it pays other firms for intermediate goods	Hozzáadott érték

National Income: Production, Distribution and allocation

Disposable income	The income after the payment of all taxes, $Y-T$	rendelkezésre álló jövedelem
Consumption function	The relationship between consumption and disposable income.	fogyasztási függvény
Marginal propensity to consume (MPC)	It is the amount consumption changes when disposable income increases by one dollar.	fogyasztási határhajlandóság
Marginal propensity to save (MPS)	The amount savings changes when the disposable income increases by one dollar.	meztakarítási határhajlandóság
Nominal interest rate (i)	The rate of interest that the investors pay to borrow money.	nominális kamatláb
Real interest rate (r)	It is the nominal interest rate corrected for the effects of inflation.	real kamatláb
Investment function	It shows the relationship between the interest rate and the quantity of investment demanded.	beruházási függvény
National savings	The output that remains after the demands of the consumers and the households are satisfied.	nemzeti megtakarítás

Economic Growth, Solow Growth Model

Marginal product of capital (MPK)	It shows the increase in the output if we increase the amount of capital by one unit.	Tőke határterméke
Consumption rate (c)	It shows what percentage of the disposable income one spends on consumption	Fogyasztási hányad (ráta)
Savings rate (s)	It shows what percentage of the disposable income one spends on savings	Megtakarítási ráta
Steady state	Means the long-run equilibrium in the economy	Stacionárius állapot
Golden Rule Level of Capital (k_{gold}^*)	The steady-state value of k that maximizes consumption	Aranyszabály szerinti tőkefelhalmozási szint
Break-even investment	The amount necessary to keep constant the capital stock per worker	Beruházás fedezeti értéke

Unemployment

Natural rate of unemployment	The average rate of unemployment around which the economy fluctuates	Természetes munkanélküliségi ráta
Rate of job seperation (s)	The fraction of employed individuals who lose their job each month.	Állásvesztés rátája
Rate of job finding (f)	The fraction of unemployed individuals who find a job each month.	Állásszerzés rátája
Rate of unemployment	Represents the number of unemployed as a percent of the labor force.	Munkanélküliségi ráta
Frictional unemployment	The unemployment caused by the time it takes workers to search for a job.	Súrlódásos (frikciós) munkanélküliség
Sectoral shift	A change in the composition of demand among industries or regions	Szektorális eltolódás
Unemployment insurance	In this program, workers can collect a fraction of their wages for a certain period after losing their job.	Munkanélküli segélyezés
Wage rigidity	It is the failure of wages to adjust until labor supply equals labor demand.	Bérrugalmatlanság
Structural unemployment	It is the unemployment resulting from wage rigidity and job rationing	Strukturális munkanélküliség
Efficiency-wage		Hatékonysági bérek elmélete
Voluntary unemployment	A type of unemployment that occurs because there are actives who would like to work but do not accept the job at the given level of real wage.	Önkéntes munkanélküliség
Compulsary unemployment	A type of unemployment that occurs at a wage level above the equilibrium because there is excess supply in the labour market.	Kényszerű munkanélküliség

Inflation

Inflation	An increase in the average level of prices	infláció
Rate of inflation	The percentage change in the overall level of prices	inflációs ráta
Money	Stock of assets used for that can be readily used to make transactions	pénz
Money supply	Quantity of money available in the economy	pénzkínálat
Monetary policy	Control of money supply by the government (central bank)	monetáris politika
Transactions velocity of money (V)	It measures the rate at which money circulates in the economy	A pénz forgási sebessége
Real money balances (M/P)	it measures the purchasing power of the stock of money	reál pénzmennyiség
Money demand function	shows what determines the quantity of real money balances people wish to hold	pénzkeresleti függvény
Seigniorage (inflation tax)	The revenue raised through the printing of money is called seigniorage.	seigniorage
Nominal interest rate	Interest rate that the bank pays	nominál kamatláb
Real interest rate	The increase in your purchasing power	reál kamatláb
Fisher effect	The one-to-one relationship between the inflation rate and the nominal interest rate	Fisher-hatás
Ex ante real interest rate	The real interest rate the borrower and lender expect when a loan is made	ex-ante kamatláb
Ex post real interest rate	The real interest rate that is actually realized	ex-post kamatláb
Shoe-leather cost	The inconvenience of reducing money holding is metaphorically called the Shoe-leather cost	cipőtalp-költség
Menu costs	When changes in inflation require printing and distributing new pricing information, then, these costs are called menu costs	étlapköltség
Classical dichotomy	The separation of the determinants of real and nominal variables.	klasszikus dichotómia
Monetary neutrality	<i>The irrelevance of money for real variable.</i>	pénz semlegessége

Economic fluctuation

Adverse supply shock	Pushes up costs and prices
Aggregate demand (AD)	The relationship between the quantity of output demanded and the aggregate price level.
Aggregate supply (AS)	The relationship between the quantity of goods and services supplied and the price level.
Business cycle	Short-run fluctuations in output and employment
Demand shock	A shock that affects aggregate demand
Expansion	Period, in which real GDP grows
Favorable supply shock	Reduces costs and prices
Natural level of output	It is the level of output at which the economy's resources are fully employed, or more realistically, at which unemployment is at its natural rate
Recession	Period of significant decline in real GDP
Shocks	Exogenous changes in aggregate supply or aggregate demand
Stabilization policy	Policy actions taken to reduce the severity of short-run economic fluctuations
Stagflation	A combination of increasing prices and falling output
Stagnation	A period of little or no growth in the economy
Supply shock	A shock that alters the cost of producing goods and services, as a result the prices (price shock)
Supply shock.	A shock that affects aggregate supply

Aggregate Demand 1: Building the IS-LM Model

Actual expenditure	The amount households, firms and the government spend on goods and services (GDP)
Demand for real money balances	The quantity of real money balances people wish to hold
Disposable income	The amount of income left to an individual after taxes have been paid, available for spending and saving
Fiscal policy	Government spending policies that influence macroeconomic conditions. (taxation and government spending)
Government-purchases multiplier	How much income rises in response to a €1 increase in government purchases
IS curve	The relationship between the interest rate and the level of income that arises in the market for goods and services
Keynesian cross	It shows how income Y is determined for given levels of planned investment I and fiscal policy G and T
LM curve	The relationship between the interest rate and the level of income that arises in the money market
Loanable funds market	The interest rate is determined by the amount of money available to lend in the economy in relation to the demand for borrowing
Marginal propensity to consume (MPC)	How much planned expenditure increases when income rises by one unit
Monetary policy	The regulation of the money supply and interest rates by the central bank
Planned expenditure	The amount households, firms, and the Government would like to spend on goods and services
Stock of inventories	Goods or other items owned by the firm and held for sale or for processing before being sold.
Supply of real money balances	Quantity of money available in the economy
Tax multiplier	The amount income changes in response to a €1 change in taxes
Theory of liquidity preference	The explanation of how the interest rate is determined in the short run

Aggregate supply and the short-run trade-off between inflation and Unemployment

Glossary

Adaptive expectations	An approach that assumes that people form their expectation of a variable based on recently observed values of the variable.	Adaptív várakozások
Cost-push inflation	Inflation resulting from shocks to aggregate supply	Költséginfláció
Demand-pull inflation	Inflation resulting from shocks to aggregate demand.	Keresletinfláció
Hysteresis	The long-lasting influence of history, such as on the natural rate of unemployment.	Hiszterézis
Imperfect-information model	Suppliers cannot observe all prices at all times. They monitor the prices of their own goods but not the prices of all goods they consume. They sometimes confuse changes in the overall price level with changes in relative prices. This confusion influences decisions about how much to supply, and it leads to a positive relationship between the price level and output in the short run.	Információhiány modellje
Okun's law	A decrease in unemployment of 1 percentage point is associated with additional growth in real GDP of approximately 2 per cent.	Okun törvénye
Phillips curve	A negative relationship between inflation and unemployment in the short run.	Phillips görbe
Rational expectations	An approach that assumes that people optimally use all available information-including information about current and prospective policies- to forecast the future.	Racionális várakozások
Relative price	The price of the product expressed in other product's price.	Relatív ár
Sacrifice ratio	The number of percentage points of a year's GDP that must be forgone to reduce inflation by 1 percentage point.	Áldozati ráta
Sticky-price model	Firms are rigid in changing prices in response to changes in the economy When firms expect a high price level, they expect high costs. A high expected price level leads to a high actual price level.	Ragadós árak modellje
Sticky-wage model	When the nominal wage is stuck, a rise in the price level lowers the real wage, making labour cheaper. The lower real wage induces firms to hire more labour. The additional labour produces more output.	Ragadós bérek modellje