Term 3 - Inflation

Inflation is a continuous increase in general price levels.

Measured by CPI (Consumer Price Index).

High inflation reduces purchasing power.

SARB controls inflation using interest rates.

Term 3 - Unemployment

Unemployment occurs when people willing to work cannot find jobs.

Types include structural, cyclical and seasonal.

High unemployment affects economic growth.

Government creates jobs through public works programmes.

Term 3 - Economic Policies

Fiscal policy involves government spending and taxation.

Monetary policy controls money supply and interest rates.

Expansionary policy increases growth.

Contractionary policy reduces inflation.

Term 3 - Balance of Payments

Records transactions between SA and other countries.

Current account includes exports and imports.

A deficit means more imports than exports.

Surplus strengthens currency.

Term 3 - Globalisation

Globalisation is integration of world economies.

Increases trade and investment.

Can lead to cultural exchange.

May increase inequality.