

## 2.1 The Level of Overall Economics Activity

### *Introduction to Macroeconomics*

**Welcome to Section 2 of the IB Economics course:** For the next several months you will be focusing on *Macroeconomics*. But what is “macro” and how is it different from “micro”? This activity will define “macroeconomics” and introduce some of the major topics and themes of the unit to you.

#### Activity 1 - From Micro concept to its Macro equivalent<sup>1</sup>

Follow the link to the table comparing new macro concepts to their more familiar micro equivalents. Answer the following questions after studying the table.-+

1. How do “aggregate” demand and supply differ from plain old demand and supply?

2. What are “inflation” and “deflation”?

3. What are two things that can lead to inflation?

4. What is “economic growth”?

5. What are two things that can lead to economic growth?

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6. How is the "average price level" measured?

7. What is "GDP"?