

Microeconomics situation assignment

[Economics](#), [Microeconomics](#)



Over a hundred thousand jobs the U. S. Economy has created in the past ten months. It is still below the two hundred thousand needed to drastically bring down the unemployment rate, which is around eight percent. The positive we have is income and consumption and GAP growth, but it is still growing below trend rates. The housing market still shows little to no sign of life. The high prices of oil are presenting a significant headwind in the U. S. Economy. The

Federal Reserve still try's to stimulate with durable close to zero interest rates. Overall the economy is positive but weak GAP growth of around of around three percent for the hole 2013. Macroeconomic conditions in the U. S. Are very fragile to this point. Unemployment is high, but is still declining slowly. Currency has been up and down. Affected mostly by artificial valuation and the European financial unrest. Manufacturing has been slow and the stock markets seem to be rising. Things seem to be getting better, slowly but surely.

The U. S. Economy currently is concerned about a recession happening again along side unemployment and inflation. Data trend on unemployment varies between 2. 5 percent and 10. 8 percent, rising during recessions and falling during expansions. Tax cuts and Increased government spending is a form of expansionary fiscal policy. Goods and services produced by property and labor in the U. S. Is a form of GAP. The rise of the prices of goods and services n an economy is a form of inflation. North, January) Fiscal Policies and Monetary Policies can affect the macroeconomic variables in an economy by the distribution of income in the economy, the level of economic activity and aggregate demand and the resource allocation within the

government sector and the private sector. Monetary policy rests on the relationship between the rates of interest in an economy.