

INDEPENDENT PRACTICE WORKSHEET

CHAPTER 14

Name _____ Class _____ Date _____

14.2 MEASURING BUSINESS CYCLES WHO GAINS? WHO LOSES?

In 1980, the rate of inflation was 12.4 percent. Some people suffered from the inflation, some benefited, a few were not affected. Decide what effect inflation had on each of the following individuals, and write *better off*, *worse off*, or *same*. Then give reasons for your decisions.

1. A Vietnam veteran who received an \$800-a-month disability payment from the U.S. government

2. A member of a union that negotiated a salary contract that indexed wage increases to the rate of inflation

3. A homeowner who made payments on a 20-year mortgage that had an interest charge of 8 percent

4. A U.S. television manufacturer who wanted to sell television sets to people in other countries

5. An investor who received 15-percent dividends on stocks

6. A banker who in 1978 had lent money to borrowers at a rate of 7.5-percent interest

7. An automobile manufacturer who wanted to borrow money from banks to buy robots in order to increase the assembly line's productivity

8. An unemployed steel worker who received a monthly unemployment check of \$500

