



## **[Glossary]**

### **Phillips Curve**

<b>Subject:</b>	Business Economics
<b>Course:</b>	B. A. (Hons.), 3 <sup>rd</sup> Semester, Undergraduate
<b>Paper No. &amp; Title:</b>	Paper – 301 Macroeconomics - I
<b>Unit No. &amp; Title:</b>	Unit – 4 Inflation, Unemployment and the Phillips Curve
<b>Lecture No. &amp; Title:</b>	Lecture – 2 Phillips Curve

## **Glossary**

### **Inflation**

Rise in general price level.

### **Unemployment**

Represents the unused labour force within an economy.

### **Phillip Curve**

Trade-off between inflation and unemployment.

### **Demand-pull Inflation**

The demand pull inflation is concerned with the basic factor at work which in turn brings shift in AD for output either from the government or the entrepreneurs or the households.

### **Cost-push inflation**

This type of inflation emanates from changes which arise on the side of supply or cost of production, independently of any excess demand in both final goods and factor markets.

### **Wage Push**

The market power of factor inputs is increased when resources are fully employed. Thus due to pressure on supply, the wage price increases which in turn hike the cost of production, this push in wage price is a type of cost push inflation.