

No.	Economic Term	Description	Reference Link
1	Absolute advantage	In economics, the principle of absolute advantage is the ability of a party to produce a good or service more efficiently than its competitors.	https://en.wikipedia.org/wiki/Absolute_advantage
2	Adverse selection	Adverse selection is when sellers have information that buyers do not have, or vice versa, about some aspect of product quality. It is thus the tendency of those in dangerous jobs or high-risk lifestyles to purchase life or disability insurance where chances are greater they will collect on it.	https://www.investopedia.com/terms/a/adverseselection.asp
3	Agency costs	An agency cost is a type of internal company expense, which comes from the actions of an agent acting on behalf of a principal. Agency costs typically arise in the wake of core inefficiencies, dissatisfactions, and disruptions, such as conflicts of interest between shareholders and management.	https://www.investopedia.com/terms/a/agencycosts.asp
4	Amortisation	Amortization is an accounting method for spreading out the costs for the use of a long-term asset over the expected period the long-term asset will provide value. Amortization expenses account for the cost of long-term assets (like computers and vehicles) over the lifetime of their use.	https://www.bdc.ca/en/articles-tools/entrepreneur-toolkit/templates-business-guides/glossary/amortization-expenses
5	Animal spirits	Animal spirits is a term used by John Maynard Keynes in his 1936 book The General Theory of Employment, Interest and Money to describe the instincts, proclivities and emotions that ostensibly influence and guide human behavior, and which can be measured in terms of, for example, consumer confidence.	https://en.wikipedia.org/wiki/Animal_spirits_(Keynes)
6	Appreciation	Appreciation is the rise in the value of an asset, such as currency or real estate. It's the opposite of depreciation, which reduces the value of an asset over its useful life. Increases in value can be attributed to interest rate changes, supply and demand changes, or various other reasons.	https://www.investopedia.com/terms/a/appreciation.asp#:~:text=Appreciation%20is%20the%20rise%20in,changes%2C%20or%20various%20other%20reasons.
7	Asymmetric information	"Asymmetric information" is a term that refers to when one party in a transaction is in possession of more information than the other. In certain transactions, sellers can take advantage of buyers because asymmetric information exists whereby the seller has more knowledge of the good being sold than the buyer.	https://www.investopedia.com/terms/a/asymmetricinformation.asp#:~:text=%22Asymmetric%20information%22%20is%20a%20term,being%20sold%20than%20the%20buyer.
8	Balance of payments	In international economics, the balance of payments of a country is the difference between all money flowing into the country in a particular period of time and the outflow of money to the rest of the world.	https://en.wikipedia.org/wiki/Balance_of_payments
9	Bank rate	Bank rate, also known as discount rate in American English, is the rate of interest which a central bank charges on its loans and advances to a commercial bank.	https://en.wikipedia.org/wiki/Bank_rate
10	Bank run	A bank run or run on the bank occurs when many clients withdraw their money from a bank, because they believe the bank may fail in the near future.	https://en.wikipedia.org/wiki/Bank_run
11	Basis point	A basis point (often abbreviated as bp) is a unit of measurement that denotes a change in the interest rate of a financial instrument and is equal to 1/100th of 1% or 0.01%. It is a usual practice in the financial industry to use basis points to denote the difference (spread) between two interest rates.	https://www.law.cornell.edu/wex/basis_point#:~:text=A%20basis%20point%20(often%20abbreviated,spread)%20between%20two%20interest%20rates.
12	Bounded rationality	Bounded rationality is the idea that rationality is limited when individuals make decisions, and under these limitations, rational individuals will select a decision that is satisfactory rather than optimal.	https://en.wikipedia.org/wiki/Bounded_rationality
13	Behavioural economics	Behavioral economics studies the effects of psychological, cognitive, emotional, cultural and social factors in the decisions of individuals or institutions, and how these decisions deviate from those implied by classical economic theory	https://en.wikipedia.org/wiki/Behavioral_economics
14	Bubble	A bubble is an economic cycle that is characterized by the rapid escalation of market value, particularly in the price of assets. This fast inflation is followed by a quick decrease in value, or a contraction, that is sometimes referred to as a "crash" or a "bubble burst."	https://www.investopedia.com/terms/b/bubble.asp#:~:text=A%20bubble%20is%20an%20economic,or%20a%20%22bubble%20burst.%22
15	Business cluster	A business cluster is a geographic concentration of interconnected businesses, suppliers, and associated institutions in a particular field.	https://en.wikipedia.org/wiki/Business_cluster
16	Business cycle	Business cycles are comprised of concerted cyclical upswings and downswings in the broad measures of economic activity—output, employment, income, and sales. The alternating phases of the business cycle are expansions and contractions (also called recessions).	https://www.investopedia.com/terms/b/businesscycle.asp#:~:text=Business%20cycles%20are%20comprised%20of,contractions%20(also%20called%20recessions).
17	Capital gains tax	Taxes known as capital gains are levied on earnings made from the sale of assets like stocks or real estate. Based on the holding term and the taxpayer's income level, the tax is computed using the difference between the asset's sale price and its acquisition price, and it is subject to different rates.	https://www.investopedia.com/terms/c/capital_gains_tax.asp#:~:text=Taxes%20known%20as%20capital%20gains,is%20subject%20to%20different%20rates.
18	Capital markets	Capital markets are financial markets that bring buyers and sellers together to trade stocks, bonds, currencies, and other financial assets. Capital markets include the stock market and the bond market. They help people with ideas become entrepreneurs and help small businesses grow into big companies.	https://www.stlouisedf.org/en/education/tools-for-enhancing-the-stock-market-game-invest-it-forward/episode-1-understanding-capital-markets#:~:text=Capital%20markets%20are%20financial%20markets,businesses%20grow%20into%20big%20companies.
19	Capitalism	Capitalism is an economic system based on the private ownership of the means of production and their operation for profit.	https://en.wikipedia.org/wiki/Capitalism
20	Carbon tax	Carbon taxes are designed to reduce greenhouse gas emissions by increasing prices of the fossil fuels that emit them when burned. This both decreases demand for goods and services that produce high emissions and incentivizes making them less carbon-intensive.	https://en.wikipedia.org/wiki/Carbon_tax#:~:text=Carbon%20taxes%20are%20designed%20to,making%20them%20less%20carbon%20intensive.
21	Cartel	A cartel is an organization of a few independent producers for the purpose of improving the profitability of the firms involved. This usually involves some restriction of output, control of price, and allocation of market shares.	https://www.merriam-webster.com/dictionary/cartel#:~:text=A%20cartel%20is%20an%20organization,and%20allocation%20of%20market%20shares.

22	Coase theorem	The Coase Theorem is a legal and economic theory developed by economist Ronald Coase regarding property rights, which states that where there are complete competitive markets with no transaction costs and an efficient set of inputs and outputs, an optimal decision will be selected	https://www.investopedia.com/terms/c/coase-theorem.asp
23	Commodity cycle pattern	commodity supercycle' refers to a long-term price movement of over five years, generally impacting a broad spectrum of commodities. According to research from Wells Fargo, commodity supercycles typically last between 15 and 20 years.	https://www.visualcapitalist.com/what-is-a-commodity-super-cycle/
24	Comparative advantage	A person has a comparative advantage at producing something if he can produce it at lower cost than anyone else. Having a comparative advantage is not the same as being the best at something.	https://www.econlib.org/library/Topics/Details/comparativeadvantage.html#:~:text=What%20is%20Comparative%20Advantage%3F,being%20the%20best%20at%20something.
25	Consumer prices index	Consumer price indexes (CPIs) are index numbers that measure changes in the prices of goods and services purchased or otherwise acquired by households, which households use directly, or indirectly, to satisfy their own needs and wants.	https://data.imf.org/?sk=4FFB52B2-3653-409A-B471-D47B46D904B5#:~:text=Consumer%20price%20indexes%20(CPIs)%20are,their%20own%20needs%20and%20wants.
26	Crawling peg	In macroeconomics, crawling peg is an exchange rate regime that allows depreciation or appreciation to happen gradually. It is usually seen as a part of a fixed exchange rate regime.	https://en.wikipedia.org/wiki/Crawling_peg
27	Credit crunch	A credit crunch is a sudden reduction in the general availability of loans or a sudden tightening of the conditions required to obtain a loan from banks. A credit crunch generally involves a reduction in the availability of credit independent of a rise in official interest rates.	https://en.wikipedia.org/wiki/Credit_crunch
28	Crowding out	When governments borrow, they compete with everybody else in the economy who wants to borrow the limited amount of savings available. As a result of this competition, the real interest rate increases and private investment decreases. This is phenomenon is called crowding out.	
29	Cryptocurrency	A cryptocurrency is a digital currency, which is an alternative form of payment created using encryption algorithms. The use of encryption technologies means that cryptocurrencies function both as a currency and as a virtual accounting system.	https://www.oswego.edu/cts/basics-about-cryptocurrency#:~:text=What%20is%20cryptocurrency%3F,as%20a%20virtual%20accounting%20system.
30	Default	A sovereign default happens when a country's government fails to pay its debt obligations. A sovereign default can have serious economic consequences for the borrowing nation, making it harder and more expensive to borrow money in the future and pay its ongoing obligations.	https://www.investopedia.com/terms/s/sovereign-default.asp#:~:text=A%20sovereign%20default%20happens%20when,and%20pay%20its%20ongoing%20obligations.
31	Deflation	In economics, deflation is a decrease in the general price level of goods and services. Deflation occurs when the inflation rate falls below 0%. Inflation reduces the value of currency over time, but sudden deflation increases it.	https://en.wikipedia.org/wiki/Deflation
32	Dependency ratio	The dependency ratio is an age-population ratio of those typically not in the labor force and those typically in the labor force. It is used to measure the pressure on the productive population.	https://en.wikipedia.org/wiki/Dependency_ratio
33	Deposit insurance	Deposit insurance is the government's guarantee that an account holder's money at an insured bank is safe up to a certain amount, currently \$250,000 per account. Deposit insurance is provided by the Federal Deposit Insurance Corporation (FDIC), a government agency that collects fees – insurance premiums – from banks.	https://www.brookings.edu/2023/03/21/how-does-deposit-insurance-work/#:~:text=Deposit%20insurance%20is%20the%20government's,%E2%80%93%20insurance%20premiums%20%E2%80%93%20from%20banks.
34	Derivatives	A derivative is a security with a price that is dependent upon or derived from one or more underlying assets. The derivative itself is a contract between two or more parties based upon the asset or assets. Its value is determined by fluctuations in the underlying asset.	https://www.cfainstitute.org/en/advocacy/issues/derivatives#:~:text=A%20derivative%20is%20a%20security,fluctuations%20in%20the%20underlying%20asset.
35	Devaluation	In macroeconomics and modern monetary policy, a devaluation is an official lowering of the value of a country's currency within a fixed exchange-rate system, in which a monetary authority formally sets a lower exchange rate of the national currency in relation to a foreign reference currency or currency basket.	https://en.wikipedia.org/wiki/Devaluation
36	Direct taxes	A direct tax is a tax that a person or organization pays directly to the entity that imposed it. Examples include income tax, real property tax, personal property tax, and taxes on assets, all of which are paid by an individual taxpayer directly to the government.	https://www.investopedia.com/terms/d/directtax.asp#:~:text=minimize%20their%20taxes,-,What%20is%20a%20Direct%20Tax%3F,taxpayer%20directly%20to%20the%20government.
37	Discount rate	The discount rate refers to the rate of interest that is applied to future cash flows of an investment to calculate its present value. It is the rate of return that companies or investors expect on their investment. An investment's net present value computed through discounting reveals its viability.	https://www.wallstreetmojo.com/discount-rate#:~:text=The%20discount%20rate%20refers%20to,through%20discounting%20reveals%20its%20viability.
38	Disinflation	Disinflation is a temporary slowing of the pace of price inflation and is used to describe instances when the inflation rate has reduced marginally over the short term. Unlike inflation and deflation, which refer to the direction of prices, disinflation refers to the rate of change in the rate of inflation.	https://www.investopedia.com/terms/d/disinflation.asp#:~:text=Key%20Takeaways-,Disinflation%20is%20a%20temporary%20slowing%20of%20the%20pace%20of%20price,in%20the%20rate%20of%20inflation.
39	Dumping	Dumping is, in general, a situation of international price discrimination, where the price of a product when sold in the importing country is less than the price of that product in the market of the exporting country.	https://www.wto.org/english/tratop_e/adv_e/adv_info_e.htm#:~:text=What%20is%20dumping%3F,market%20of%20the%20exporting%20country.
40	ESG investing	The acronym applies to investment strategies that take environmental, social and governance factors into account, and these days serves as a stand-in for all strategies marketed as sustainable investments.	https://www.cnbc.com/2023/05/01/beginners-guide-to-esg-investing.html#:~:text=So%2Dcalled%20ESG%20investing%20is,strategies%20marketed%20as%20sustainable%20investments.

41	Economies of scale	In microeconomics, economies of scale are the cost advantages that enterprises obtain due to their scale of operation, and are typically measured by the amount of output produced per unit of time. A decrease in cost per unit of output enables an increase in scale	https://en.wikipedia.org/wiki/Economies_of_scale
42	Elasticity	elasticity, ability of a deformed material body to return to its original shape and size when the forces causing the deformation are removed. A body with this ability is said to behave (or respond) elastically.	https://www.britannica.com/science/elasticity-physics
43	Endowment effect	The endowment effect refers to an emotional bias that causes individuals to value an owned object higher, often irrationally, than its market value.	https://www.investopedia.com/terms/e/endowment-effect.asp
44	Equilibrium	In economics, economic equilibrium is a situation in which economic forces such as supply and demand are balanced and in the absence of external influences the values of economic variables will not change.	https://en.wikipedia.org/wiki/Economic_equilibrium
45	Exchange rate	An exchange rate is a relative price of one currency expressed in terms of another currency (or group of currencies).	https://www.rba.gov.au/education/resources/explainers/exchange-rates-and-their-measurement.html#:~:text=An%20exchange%20rate%20is%20a,(or%20group%20of%20currencies).
46	Externality	An externality is a cost or benefit caused by a producer that is not financially incurred or received by that producer. An externality can be both positive or negative and can stem from either the production or consumption of a good or service.	https://www.investopedia.com/terms/e/externality.asp#:~:text=Investopedia%20%2F%20Madelyn%20Goodnight-What%20Is%20an%20Externality%3F.of%20a%20good%20or%20service.
47	Factors of production	In economics, factors of production, resources, or inputs are what is used in the production process to produce output—that is, goods and services. The utilized amounts of the various inputs determine the quantity of output according to the relationship called the production function.	https://en.wikipedia.org/wiki/Factors_of_production
48	Financial markets	Financial Markets include any place or system that provides buyers and sellers the means to trade financial instruments, including bonds, equities, the various international currencies, and derivatives.	https://www.occ.treas.gov/topics/supervision-and-examination/capital-markets/financial-markets/index-financial-markets.html#:~:text=Share%20This%20Page%3A,various%20international%20currencies%2C%20and%20derivatives.
49	Fiscal drag	Fiscal drag happens when the government's net fiscal position fails to cover the net savings desires of the private economy, also called the private economy's spending gap.	https://en.wikipedia.org/wiki/Fiscal_drag
50	Fiscal policy	In economics and political science, fiscal policy is the use of government revenue collection and expenditure to influence a country's economy	https://en.wikipedia.org/wiki/Fiscal_policy
51	Foreign direct investment (FDI)	Foreign direct investment (FDI) is a category of cross-border investment in which an investor resident in one economy establishes a lasting interest in and a significant degree of influence over an enterprise resident in another economy.	https://www.oecd-ilibrary.org/finance-and-investment/foreign-direct-investment-fdi/indicator-group/english_9a523b18-en#:~:text=Foreign%20direct%20investment%20(FDI)%20is,enterprise%20resident%20in%20another%20economy.
52	Forward exchange rate	The forward exchange rate is the rate at which a commercial bank is willing to commit to exchange one currency for another at some specified future date. The forward exchange rate is a type of forward price.	https://en.wikipedia.org/wiki/Forward_exchange_rate#:~:text=The%20forward%20exchange%20rate%20is%20the%20rate%20at%20which%20a,a%20type%20of%20forward%20price.
53	Free rider	In the social sciences, the free-rider problem is a type of market failure that occurs when those who benefit from resources, public goods and common pool resources do not pay for them or under-pay. Examples of such goods are public roads or public libraries or services or other goods of a communal nature.	https://en.wikipedia.org/wiki/Free-rider_problem
54	Free trade area	A free trade area is the region encompassing a trade bloc whose member countries have signed a free trade agreement. Such agreements involve cooperation between at least two countries to reduce trade barriers, import quotas and tariffs, and to increase trade of goods and services with each other.	https://en.wikipedia.org/wiki/Free_trade_area
55	Frictional unemployment	Frictional unemployment is a type of short-term unemployment. Frictional unemployment happens when a person is voluntarily job searching or searching for a new career. Frictional unemployment isn't necessarily a bad thing. In fact, because frictional unemployment is voluntary, it can be a sign of a healthy economy.	https://www.betterup.com/blog/frictional-unemployment#:~:text=Frictional%20unemployment%20is%20a%20type,sign%20of%20a%20healthy%20economy.
56	Full employment	Full employment is an economic situation in which all available labor resources are being used in the most efficient way possible. Full employment embodies the highest amount of skilled and unskilled labor that can be employed within an economy at any given time	https://www.investopedia.com/terms/f/fullemployment.asp#:~:text=What%20Is%20Full%20Employment%3F,economy%20at%20any%20given%20time.
57	Gross domestic product (GDP)	GDP measures the monetary value of final goods and services—that is, those that are bought by the final user—produced in a country in a given period of time (say a quarter or a year). It counts all of the output generated within the borders of a country.	https://www.imf.org/en/Publications/fandd/issues/Series/Back-to-Basics/gross-domestic-product-GDP#:~:text=Measuring%20GDP,the%20borders%20of%20a%20country.
58	General Agreement on Tariffs and Trade	The General Agreement on Tariffs and Trade is a legal agreement between many countries, whose overall purpose was to promote international trade by reducing or eliminating trade barriers such as tariffs or quotas.	https://www.wto.org/english/docs_e/legal_e/gatt47.pdf
59	Giffen goods	The goods that increase consumption as the price increases are known as the Giffen good. Thus, it violates the law of demand by showing an upwards-sloping curve of the demand. Moreover, all the Giffen goods are always inferior. However, not all the inferior goods shall be considered as the Giffen.	https://economictimes.indiatimes.com/definition/giffen-good
60	Gini coefficient	In economics, the Gini coefficient, also known as the Gini index or Gini ratio, is a measure of statistical dispersion intended to represent the income inequality, the wealth inequality, or the consumption inequality within a nation or a social group. It was developed by statistician and sociologist Corrado Gini.	https://en.wikipedia.org/wiki/Gini_coefficient

61	Gresham's Law	In economics, Gresham's law is a monetary principle stating that "bad money drives out good". For example, if there are two forms of commodity money in circulation, which are accepted by law as having similar face value, the more valuable commodity will gradually disappear from circulation	https://en.wikipedia.org/wiki/Gresham's_law
62	Hedge funds	Hedge funds pool money from investors and invest in securities or other types of investments with the goal of getting positive returns.	https://www.investor.gov/introduction-investing/investing-basics/investment-products/private-investment-funds/hedge-funds#:~:text=What%20are%20hedge%20funds%20F.goal%20of%20getting%20positive%20returns.
63	Hot money	Hot money signifies currency that quickly and regularly moves between financial markets, that ensures investors lock in the highest available short-term interest rates. Hot money continuously shifts from countries with low-interest rates to those with higher rates.	https://www.investopedia.com/terms/h/hotmoney.asp#:~:text=Hot%20money%20signifies%20currency%20that.to%20those%20with%20higher%20rates.
64	Hyperinflation	Hyperinflation is very high inflation. Although the threshold is arbitrary, economists generally reserve the term "hyperinflation" to describe episodes when the monthly inflation rate is greater than 50 percent.	https://www.econlib.org/library/Enc/Hyperinflation.html#:~:text=Hyperinflation%20is%20very%20high%20inflation.is%20greater%20than%2050%20percent.
65	Hypothecated taxes	money collected from a particular tax, which can only be spent for one particular purpose: Hypothecated taxes from gambling are often used to fund a "good cause" such as education or economic development.	https://dictionary.cambridge.org/dictionary/english/hypothecated-taxes
66	Inflation targeting	Inflation targeting is a goals-based approach to monetary policy whereby a central bank seeks a specific annual rate of inflation for a country's economy (normally around 2% or 3% per year).	https://www.investopedia.com/terms/i/inflation_targeting.asp#:~:text=Inflation%20targeting%20is%20a%20goals.or%203%25%20per%20year.
67	Informal economy	Informal economies are typically characterized by a high incidence of poverty and severe decent work deficits. Without formalization, decent work for all and equity in society will remain an illusion.	https://www.ilo.org/global/topics/employment-promotion/informal-economy/lang-en/index.htm#:~:text=Informal%20economies%20are%20typically%20characterized.society%20will%20remain%20an%20illusion.
68	Inheritance taxes	An inheritance tax is a tax imposed by some states on the recipients of inherited assets. In contrast to an estate tax, an inheritance tax is paid by the recipient of a bequest rather than the estate of the deceased. The inheritance tax is not common in the U.S.	https://www.investopedia.com/terms/i/inheritancetax.asp#:~:text=Investopedia%20%2F%20Candra%20Huff.What%20is%20Inheritance%20Tax%3F.not%20common%20in%20the%20U.S.
69	Insider trading	Insider trading is buying or selling a publicly traded company's stock by someone with non-public, material information about that company. Non-public, material information is any information that could substantially impact an investor's decision to buy or sell a security that has not been made available to the public.	https://www.investopedia.com/terms/i/insidertrading.asp#:~:text=Insider%20trading%20is%20buying%20or.made%20available%20to%20the%20public.
70	Institutional investors	An institutional investor is an entity that makes investments on behalf of someone else. Examples include pension funds, mutual funds, insurance companies, university endowments, and sovereign wealth funds.	https://www.investopedia.com/terms/i/institutionalinvestor.asp#:~:text=An%20institutional%20investor%20is%20an.endowments%2C%20and%20sovereign%20wealth%20funds.
71	Insurance	Insurance is a way to manage your risk. When you buy insurance, you purchase protection against unexpected financial losses. The insurance company pays you or someone you choose if something bad happens to you. If you have no insurance and an accident happens, you may be responsible for all related costs.	https://www.investopedia.com/terms/i/insurance.asp
72	Intellectual property	Intellectual property (IP) refers to creations of the mind, such as inventions; literary and artistic works; designs; and symbols, names and images used in commerce.	https://www.wipo.int/about-ip/en/#:~:text=Intellectual%20property%20(IP)%20refers%20to.and%20images%20used%20in%20commerce.
73	Investment banks	Investment banking pertains to certain activities of a financial services company or a corporate division that consist in advisory-based financial transactions on behalf of individuals, corporations, and governments.	https://en.wikipedia.org/wiki/Investment_banking
74	Invisible hand	The invisible hand is a metaphor for how, in a free market economy, self-interested individuals operate through a system of mutual interdependence. This interdependence incentivizes producers to make what is socially necessary, even though they may care only about their own well-being.	https://www.investopedia.com/terms/i/invisiblehand.asp#:~:text=The%20invisible%20hand%20is%20a%20metaphor%20for%20how%2C%20in%20a.about%20their%20own%20well%2Dbeing.
75	Involuntary unemployment	Involuntary unemployment occurs when a person is unemployed despite being willing to work at the prevailing wage. It is distinguished from voluntary unemployment, where a person refuses to work because their reservation wage is higher than the prevailing wage.	https://en.wikipedia.org/wiki/Involuntary_unemployment
76	J-curve	A J-curve depicts a trend that starts with a sharp drop and is followed by a dramatic rise. The trendline ends in an improvement from the starting point. In economics, the J-curve shows how a currency depreciation causes a severe worsening of a trade imbalance followed by a substantial improvement.	https://www.investopedia.com/terms/j/j-curve-effect.asp#:~:text=A%20J%2Dcurve%20depicts%20a.followed%20by%20a%20substantial%20improvement.
77	Just-in-time manufacturing	Just-in-time manufacturing (JIT manufacturing) is a production model in which items are created to meet demand, not created in surplus or in advance of need. Organizations adopt the JIT approach to increase efficiency, reduce costs and speed up product delivery.	https://www.techtarget.com/whatis/definition/just-in-time-manufacturing-JIT-manufacturing#:~:text=Just%2Din-time%20manufacturing%20(JIT%20manufacturing)%20is%20a.and%20speed%20up%20product%20delivery.
78	Keynesian economics	Keynesians believe that, because prices are somewhat rigid, fluctuations in any component of spending—consumption, investment, or government expenditures—cause output to change. If government spending increases, for example, and all other spending components remain constant, then output will increase.	https://www.imf.org/external/pubs/ft/fandd/2014/09/basics.htm#:~:text=Keynesians%20believe%20that%2C%20because%20prices.constant%2C%20then%20output%20will%20increase.

79	Laffer curve	In economics, the Laffer Curve is a graphic representation of the relationship between rates of taxation and the resulting levels of government revenue. The theory tries to arrive at an optimal tax rate beyond which tax revenues for an economy tend to fall.	https://economictimes.indiatimes.com/wealth/tax/here-is-everything-you-want-to-know-about-laffer-curve-and-tax/tomorrowsmakersshow/51098997.cms#:~:text=What%20is%20Laffer%20Curve%3F.an%20economy%20tend%20to%20fall.
80	Lagged effect	The lag effect describes the likelihood that we will better recall information when time between repeated exposure to that information increases. The lag effect demonstrates that successive repetition is not the most effective way to retain information.	https://thedecisionlab.com/biases/lag-effect#:~:text=The%20lag%20effect%20describes%20the_effective%20way%20to%20retain%20information.
81	Laissez-faire	Laissez-faire is a type of economic system in which transactions between private groups of people are free from any form of economic interventionism.	https://en.wikipedia.org/wiki/Laissez-faire
82	Lean manufacturing	Lean manufacturing is a methodology that focuses on minimizing waste within manufacturing systems while simultaneously maximizing productivity. Waste is seen as anything that customers do not believe adds value and are not willing to pay for.	https://www.techtarget.com/searcherp/definition/lean-production#:~:text=Lean%20manufacturing%20is%20a%20methodology.not%20willing%20to%20pay%20for.
83	Lemons vs Peaches	IN 1970 GEORGE AKERLOF penned one of the most famous papers in economics. "The market for lemons" shows how, in markets where sellers know more than buyers, trade can dry up. His example is not fruit but used cars—a "lemon" is one with hidden defects. Buyers want reliable wheels, or "peaches".	https://www.economist.com/finance-and-economics/2019/09/26/can-you-buy-a-good-second-hand-car#:~:text=IN%201970%20GEORGE%20AKERLOF.wheels%20C%20or%20E%2080%9Cpeaches%E2%80%9D.
84	Life-cycle hypothesis	In economics, the life-cycle hypothesis is a model that strives to explain the consumption patterns of individuals.	https://en.wikipedia.org/wiki/Life-cycle_hypothesis
85	Limited liability	Limited liability is a type of legal structure for an organization where a corporate loss will not exceed the amount invested in a partnership or limited liability company (LLC). In other words, investors' and owners' private assets are not at risk if the company fails.	https://www.investopedia.com/terms/l/limitedliability.asp#:~:text=Investopedia%20%2F%20Jake%20Shi-.What%20is%20Llimited%20Lliability%3F.risk%20if%20the%20company%20fails.
86	Liquidity trap	A liquidity trap is an adverse economic situation that can occur when consumers and investors hoard cash rather than spending or investing it even when interest rates are low, stymying efforts by economic policymakers to stimulate economic growth.	https://www.investopedia.com/terms/l/liquiditytrap.asp#:~:text=our%20editorial%20policies-.What%20is%20a%20Liquidity%20Trap%3F.policymakers%20to%20stimulate%20economic%20growth.
87	Loss aversion	Loss aversion is the observation that human beings experience losses asymmetrically more severely than equivalent gains. This overwhelming fear of loss can cause investors to behave irrationally and make bad decisions, such as holding onto a stock for too long or too little time.	https://www.investopedia.com/terms/l/loss-psychology.asp#:~:text=Loss%20aversion%20is%20the%20observation.long%20or%20too%20little%20time.
88	Marginal propensity to consume	In economics, the marginal propensity to consume is a metric that quantifies induced consumption, the concept that the increase in personal consumer spending occurs with an increase in disposable income. The proportion of disposable income which individuals spend on consumption is known as propensity to consume.	https://en.wikipedia.org/wiki/Marginal_propensity_to_consume
89	Marginal propensity to save	The marginal propensity to save is the fraction of an increase in income that is not spent and instead used for saving. It is the slope of the line plotting saving against income.	https://en.wikipedia.org/wiki/Marginal_propensity_to_save
90	Marginal utility	In economics, utility refers to the satisfaction or benefit that consumers derive from consuming a product or service. Marginal utility on the other hand, describes the change in pleasure or satisfaction resulting from an increase or decrease in consumption of one unit of a good or service.	https://en.wikipedia.org/wiki/Marginal_utility
91	Mercantilism	Mercantilism was a form of economic nationalism that sought to increase the prosperity and power of a nation through restrictive trade practices. Its goal was to increase the supply of a state's gold and silver with exports rather than to deplete it through imports. It also sought to support domestic employment.	https://www.investopedia.com/terms/m/mercantilism.asp#:~:text=Mercantilism%20was%20a%20form%20of.sought%20to%20support%20domestic%20employment.
92	Minsky moment	A Minsky moment is a sudden, major collapse of asset values which marks the end of the growth phase of a cycle in credit markets or business activity.	https://en.wikipedia.org/wiki/Minsky_moment#:~:text=A%20Minsky%20moment%20is%20a.credit%20markets%20or%20business%20activity.
93	Money supply	The money supply is the sum total of all of the currency and other liquid assets in a country's economy on the date measured. The money supply includes all cash in circulation and all bank deposits that the account holder can easily convert to cash.	https://www.investopedia.com/terms/m/moneysupply.asp#:~:text=Investopedia%20%2F%20Madelyn%20Goodnight-.What%20is%20the%20Money%20Supply%3F.can%20easily%20convert%20to%20cash.
94	Multiplier effect	In economics, the fiscal multiplier is the ratio of change in national income arising from a change in government spending. More generally, the exogenous spending multiplier is the ratio of change in national income arising from any autonomous change in spending.	https://en.wikipedia.org/wiki/Fiscal_multiplier
95	Nairu (Non-Accelerating Inflation Rate of Unemployment)	The NAIRU is the lowest unemployment rate that can be sustained without causing wages growth and inflation to rise. It is a concept that helps us gauge how much 'spare capacity' there is in the economy. The NAIRU cannot be observed directly.	https://www.rba.gov.au/education/resources/explainers/nairu.html#:~:text=The%20NAIRU%20is%20the%20lowest.NAIRU%20cannot%20be%20observed%20directly.
96	Nash equilibrium	The Nash equilibrium is a decision-making theorem within game theory that states a player can achieve the desired outcome by not deviating from their initial strategy. In the Nash equilibrium, each player's strategy is optimal when considering the decisions of other players.	https://www.investopedia.com/terms/n/nash-equilibrium.asp#:~:text=The%20Nash%20equilibrium%20is%20a.the%20decisions%20of%20other%20players.
97	National debt	The national debt is the amount of money the federal government has borrowed to cover the outstanding balance of expenses incurred over time. In a given fiscal year (FY), when spending (ex. money for roadways) exceeds revenue (ex. money from federal income tax), a budget deficit results.	https://fiscaldata.treasury.gov/americas-finance-guide/national-debt#:~:text=The%20national%20debt%20is%20the,%20C%20a%20budget%20deficit%20results.

98	Natural rate of unemployment	The natural rate of unemployment is the name that was given to a key concept in the study of economic activity.	https://en.wikipedia.org/wiki/Natural_rate_of_unemployment
99	Negative interest rates	In theory, negative interest rates should help to stimulate economic activity and stave off inflation, but policymakers remain cautious because there are several ways such a policy could backfire	https://www.investopedia.com/articles/investing/070915/how-negative-interest-rates-work.asp#:~:text=In%20theory%2C%20negative%20interest%20rates,such%20a%20policy%20could%20backfire.
100	Neoliberalism	Neoliberalism is contemporarily used to refer to market-oriented reform policies such as "eliminating price controls, deregulating capital markets, lowering trade barriers" and reducing, especially through privatization and austerity, state influence in the economy.	https://en.wikipedia.org/wiki/Neoliberalism#:~:text=Neoliberalism%20is%20contemporarily%20used%20to,state%20influence%20in%20the%20economy.
101	Nominal interest rates	The nominal interest rate (or money interest rate) is the percentage increase in money you pay the lender for the use of the money you borrowed.	https://www.frbsf.org/education/publications/doctor-econ/2003/august/real-nominal-interest-rate/#:~:text=The%20nominal%20interest%20rate%20(or.of%20the%20money%20you%20borrowed.
102	Opportunity cost	In microeconomic theory, the opportunity cost of a choice is the value of the best alternative forgone where, given limited resources, a choice needs to be made between several mutually exclusive alternatives.	https://en.wikipedia.org/wiki/Opportunity_cost
103	Option	In finance, an option is a contract which conveys to its owner, the holder, the right, but not the obligation, to buy or sell a specific quantity of an underlying asset or instrument at a specified strike price on or before a specified date, depending on the style of the option.	https://en.wikipedia.org/wiki/Option_(finance)
104	Over-the-counter markets	An over-the-counter (OTC) market is a decentralized market in which market participants trade stocks, commodities, currencies, or other instruments directly between two parties and without a central exchange or broker.	https://www.investopedia.com/terms/o/over-the-countermarket.asp#:~:text=An%20over%2Dthe%2Dcounter%20(a%20central%20exchange%20or%20broker.
105	Overheating	Overheating is when the economy reaches the limits of its capacity to meet all of the demand from individuals, firms and government. One element of this is the concept of "full employment", which occurs when almost everyone who wants to work has a job. When this happens, there is very little available slack.	https://www.centralbank.ie/consumer-hub/explainers/what-does-overheating-in-the-economy-mean#:~:text=Overheating%20is%20when%20the%20economy.is%20very%20little%20available%20slack.
106	Overshooting	The overshooting model, or the exchange rate overshoot hypothesis, first developed by economist Rudi Dornbusch, is a theoretical explanation for high levels of exchange rate volatility.	https://en.wikipedia.org/wiki/Overshooting_model
107	Pigouvian tax	A Pigouvian tax, named after 1920 British economist Arthur C. Pigou, is a tax on a market transaction that creates a negative externality, or an additional cost, borne by individuals not directly involved in the transaction. Examples include tobacco taxes, sugar taxes, and carbon taxes Eg: carbon tax.	https://taxfoundation.org/tax-basics/pigouvian-tax/#:~:text=What%20is%20a%20Pigouvian%20Tax,sugar%20taxes%2C%20and%20carbon%20taxes.
108	Platform company	A platform company generates value by enabling interactions, transactions, or relationships. A platform company leverages network effects (direct/same side or indirect). Platform companies are also known as platform business models, given their intrinsic way of creating value for users.	https://fourweekmba.com/platform-company/#:~:text=A%20platform%20company%20generates%20value.of%20creating%20value%20for%20users.
109	Poverty trap	Poverty trap is a spiraling mechanism which forces people to remain poor. It is so binding in itself that it doesn't allow the poor people to escape it. Poverty trap generally happens in developing and under-developing countries, and is caused by a lack of capital and credit to people.	https://economictimes.indiatimes.com/definition/poverty-trap
110	Precariat	In sociology and economics, the precariat is a neologism for a social class formed by people suffering from precarity, which means existing without predictability or security, affecting material or psychological welfare. The term is a portmanteau merging precarious with proletariat	https://en.wikipedia.org/wiki/Precariat
111	Primary market	A primary market is a figurative place where securities make their debut—where new bonds and shares of corporate stock are issued to be sold to investors for the first time.	https://www.investopedia.com/terms/p/primarymarket.asp#:~:text=A%20primary%20market%20is%20a%20figurative%20place%20where%20securities%20make_investors%20for%20the%20first%20time.
112	Purchasing-power parity (PPP)	purchasing power parity (PPP) exchange rate—the rate at which the currency of one country would have to be converted into that of another country to buy the same amount of goods and services in each country.	https://www.imf.org/en/Publications/fandd/issues/Series/Back-to-Basics/Purchasing-Power-Parity-PPP#:~:text=The%20other%20approach%20uses%20the.and%20services%20in%20each%20country.
113	Quota	Quotas in economics refer to the time-bound restrictions governments impose on trade. This is generally done to protect and encourage domestic business and balance trade. Governments implement quotas by placing limits on the value or number of goods exported or imported.	https://www.investopedia.com/terms/q/quota.asp#:~:text=What%20Does%20Quota%20Mean%20in.of%20goods%20exported%20or%20imported.
114	Quantity Theory of Money	In monetary economics, the quantity theory of money is one of the directions of Western economic thought that emerged in the 16th-17th centuries. The QTM states that the general price level of goods and services is directly proportional to the amount of money in circulation, or money supply.	https://en.wikipedia.org/wiki/Quantity_theory_of_money
115	real interest rate	A real interest rate is an interest rate that has been adjusted to remove the effects of inflation. Once adjusted, it reflects the real cost of funds to a borrower and the real yield to a lender or to an investor.	https://www.investopedia.com/terms/r/realinterestrate.asp
116	Randomised control trials	Randomized controlled trials (RCT) are prospective studies that measure the effectiveness of a new intervention or treatment. Although no study is likely on its own to prove causality, randomization reduces bias and provides a rigorous tool to examine cause-effect relationships between an intervention and outcome.	https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6235704/#:~:text=Randomized%20controlled%20trials%20(RCT)%20are,between%20an%20intervention%20and%20outcome.

117	Rational expectations	The rational expectations theory posits that individuals base their decisions on human rationality, information available to them, and their past experiences. The rational expectations theory is a concept and theory used in macroeconomics.	https://www.investopedia.com/terms/r/rationaltheoryofexpectations.asp#:~:text=The%20rational%20expectations%20theory%20posits.and%20theory%20used%20in%20macroeconomics.
118	Regressive taxes	A regressive tax is a type of tax that is assessed regardless of income, in which low- and high-income earners pay the same dollar amount. This kind of tax is a bigger burden on low-income earners than high-income earners, for whom the same dollar amount equates to a much larger percentage of total income earned.	https://www.investopedia.com/terms/r/regressivetax.asp#:~:text=A%20regressive%20tax%20is%20a.percentage%20of%20total%20income%20earned.
119	Regulatory arbitrage	Regulatory arbitrage is a corporate practice of utilizing more favorable laws in one jurisdiction to circumvent less favorable regulation elsewhere. This practice is often legal as it takes advantage of existing loopholes; however, it is often considered unethical.	https://www.investopedia.com/terms/r/regulatory-arbitrage.asp#:~:text=Key%20Takeaways.it%20is%20often%20considered%20unethical.
120	Ricardian equivalence	The Ricardian equivalence proposition is an economic hypothesis holding that consumers are forward-looking and so internalize the government's budget constraint when making their consumption decisions.	https://en.wikipedia.org/wiki/Ricardian_equivalence
121	Reserve requirements	Reserve requirements are the amount of funds that a bank holds in reserve to ensure that it is able to meet liabilities in case of sudden withdrawals. Reserve requirements are a tool used by the central bank to increase or decrease the money supply in the economy and influence interest rates.	https://www.investopedia.com/terms/r/requiredreserves.asp#:~:text=Reserve%20requirements%20are%20the%20amount%20of%20funds%20that%20a%20bank.economy%20and%20influence%20interest%20rates.
122	Seigniorage	Seigniorage, also spelled seignorage or seigneurage, is the difference between the value of money and the cost to produce and distribute it.	https://en.wikipedia.org/wiki/Seigniorage
123	Shadow banks	The shadow banking system consists of lenders, brokers, and other credit intermediaries who fall outside the realm of traditional regulated banking. Shadow banking is generally unregulated and not subject to the same kinds of risk, liquidity, and capital restrictions as traditional banks are.	https://www.investopedia.com/terms/s/shadow-banking-system.asp#:~:text=The%20shadow%20banking%20system%20consists.restrictions%20as%20traditional%20banks%20are.
124	Short-selling	Short selling occurs when an investor borrows a security and sells it on the open market, planning to buy it back later for less money. Short sellers bet on, and profit from, a drop in a security's price. This can be contrasted with long investors who want the price to go up.	https://www.investopedia.com/terms/s/shortselling.asp#:~:text=Short%20selling%20occurs%20when%20an.the%20price%20to%20go%20up.
125	Short-termism	Short-termism refers to an excessive focus on short-term results at the expense of long-term interests.	https://www.cfainstitute.org/en/advocacy/issues/short-termism#sort=%40pubbrowsedate%20descending
126	Special drawing right (SDR)	The SDR is an international reserve asset created by the IMF to supplement the official reserves of its member countries. The SDR is not a currency. It is a potential claim on the freely usable currencies of IMF members. As such, SDRs can provide a country with liquidity.	https://www.imf.org/en/Topics/special-drawing-right#:~:text=The%20SDR%20is%20an%20international.provide%20a%20country%20with%20liquidity.
127	Speculation	In the world of finance, speculation, or speculative trading, refers to the act of conducting a financial transaction that has substantial risk of losing value but also holds the expectation of a significant gain or other major value. With speculation, the risk of loss is more than offset by the possibility of a substantial gain or other recompense.	https://www.investopedia.com/terms/s/speculation.asp
128	Spread	An economic spread is a performance metric that is equal to the difference between a company's weighted average cost of capital (WACC) and its return on invested capital (ROIC). The term can be used to measure the difference between the real rate of return on an investment and the rate of inflation in the economy.	https://www.investopedia.com/terms/e/economicspread.asp#:~:text=An%20economic%20spread%20is%20a.of%20inflation%20in%20the%20economy.
129	Sunk costs	A sunk cost refers to money that has already been spent and cannot be recovered. A manufacturing firm, for example, may have a number of sunk costs, such as the cost of machinery, equipment, and the lease expense on the factory.	https://www.investopedia.com/terms/s/sunkcost.asp#:~:text=A%20sunk%20cost%20refers%20to.lease%20expense%20on%20the%20factory.
130	Swaps	A swap is a derivative contract through which two parties exchange the cash flows or liabilities from two different financial instruments. Most swaps involve cash flows based on a notional principal amount such as a loan or bond, although the instrument can be almost anything.	https://www.investopedia.com/terms/s/swap.asp#:~:text=A%20swap%20is%20a%20derivative.instrument%20can%20be%20almost%20anything.
131	Tax haven	Any nation or territory that imposes the least amount of taxes possible on foreign citizens and corporations is referred to as an "Offshore Financial Center" or "Tax Haven." Tax Havens offer tax benefits without requiring businesses to operate outside of their borders or to people who live there.	https://groww.in/blog/what-is-tax-haven
132	Tobin tax	The Tobin tax is a duty proposed on spot currency trades to penalize short-term currency trading in order to stabilize markets and disincentive speculation. The Tobin tax can be used to generate revenue streams for countries that see a great deal of short-term currency movement.	https://www.investopedia.com/terms/t/tobin-tax.asp#:~:text=The%20Tobin%20tax%20is%20a%20duty%20proposed%20on%20spot%20currency.of%20short%20term%20currency%20movement.
133	Tragedy of the commons	The tragedy of the commons refers to a situation in which individuals with access to a public resource (also called a common) act in their own interest and, in doing so, ultimately deplete the resource.	https://www.economist.com/economics-a-to-z#T
134	Universal basic income (UBI)	Universal basic income (UBI) is a socio-political financial transfer policy proposal in which all citizens of a given country receive a legally stipulated and equally set financial grant paid by the government. A basic income can be implemented nationally, regionally, or locally	https://www.drishtias.com/daily-updates/daily-news-editorials/universal-basic-income-5#:~:text=What%20is%20Universal%20Basic%20Income.nationally%2C%20regionally%2C%20or%20locally.
135	Value added	Value added is a term in financial economics for calculating the difference between market value of a product or service, and the sum value of its constituents. It is relatively expressed to the supply-demand curve for specific units of sale.	https://en.wikipedia.org/wiki/Value_added
136	Velocity of circulation	Velocity of circulation is the amount of units of money circulated in the economy during a given period of time. Description: Velocity of circulation is measured by dividing GDP by the country's total money supply. A high velocity of circulation in a country indicates a high degree of inflation.	https://economictimes.indiatimes.com/definition/velocity-of-circulation

137	Venture capital	Venture capital is a term used to describe financing that is provided to companies and entrepreneurs. Venture capitalists can provide backing through capital financing, technological expertise, and/or managerial experience.	https://www.investopedia.com/terms/v/venturecapital.asp
138	Voluntary unemployment	It is a situation when a person is unemployed not due to unavailability of jobs in the economy, but because of not being able to find employment of his/her own choice.	https://economictimes.indiatimes.com/definition/voluntary-unemployment
139	Wage-price spiral	Persistent wage and price growth in the latest data may raise concern that wages and prices are feeding on each other and likely to accelerate over a sustained period, an outcome known as a wage-price spiral. If such a spiral emerges, the fear is that inflation would keep rising and expectations become unanchored.	https://www.imf.org/en/Blogs/Articles/2023/02/24/wage-price-spiral-risks-still-contained-latest-data-suggests#:~:text=Persistent%20wage%20and%20price%20growth,rising%20and%20expectations%20become%20unanchored.
140	Welfare Economics	Welfare economics is a field of economics that applies microeconomic techniques to evaluate the overall well-being of a society. This evaluation is typically done at the economy-wide level, and attempts to assess the distribution of resources and opportunities among members of society.	https://en.wikipedia.org/wiki/Welfare_economics
141	Windfall gains	Windfall gain (or windfall profit) is an unexpected gain in income which could be due to winning a lottery, unforeseen inheritance or shortage of supply.	https://economictimes.indiatimes.com/definition/windfall-gains
142	Windfall taxes	A windfall tax is a higher tax levied by the government on specific industries when they experience unexpected and above-average profits. As the name suggests, "windfall" refers to a dramatic and unanticipated increase in profits. On the other hand, "tax" implies an imposition levied on this dramatic income growth.	https://cleartax.in/s/windfall-tax
143	Yield	Yield refers to the income received via the ownership of an asset over a period of time as a proportion of that asset's total value, face value, or purchase price.	https://www.thestreet.com/dictionary/y/yield#:~:text=Yield%20refers%20to%20the%20income,face%20value%2C%20or%20purchase%20price.
144	Zero coupon bond	Zero coupon bonds are bonds that do not pay interest during the life of the bonds. Instead, investors buy zero coupon bonds at a deep discount from their face value, which is the amount the investor will receive when the bond "matures" or comes due.	https://www.investopedia.com/terms/z/zero-couponbond.asp
145	Zero lower bound	The Zero Lower Bound (ZLB) or Zero Nominal Lower Bound (ZNLB) is a macroeconomic problem that occurs when the short-term nominal interest rate is at or near zero, causing a liquidity trap and limiting the central bank's capacity to stimulate economic growth.	https://en.wikipedia.org/wiki/Zero_lower_bound#:~:text=The%20Zero%20Lower%20Bound%20(ZLB.capacity%20to%20stimulate%20economic%20growth.
146	Zero-sum game	Zero-sum is a situation, often cited in game theory, in which one person's gain is equivalent to another's loss, so the net change in wealth or benefit is zero. A zero-sum game may have as few as two players or as many as millions of participants.	https://www.investopedia.com/terms/z/zero-sumgame.asp#:~:text=Investopedia%20%2F%20Laura%20Porter-.What%20is%20a%20Zero%2DSum%20Game%3F.many%20as%20millions%20of%20participants.