**REVISION NOTES: 2015 – MACRO-ECONOMIC INFLUENCE – 91403**

1. How OCR controls inflation
2. OCR change on AS-AD model – effect on Inflation and growth
3. Linking AS-AD model to Business cycle
4. Monetary Policy vs Fiscal Policy vs Supply side – which one encourages growth
5. Balance of Current account – link to exports
6. Increase in Trade – Growth in trading Partners vs FTA
7. TWI – Trade weighted Index
8. Factors causing $NZ appreciation
9. $NZ appreciation – impact on:
   * Growth
   * Inflation
   * Unemployment
10. Supply-side economics – help producers reduce cost of production. Show on AS – AD model

Impact on:

1. Growth
2. Inflation
3. Unemployment
4. Govt Spending: Impact on Firms; Households