

APPENDIX 2: FORMULAE

$$1. \text{ Unemployment rate (\%)} = \frac{\text{Number of persons unemployed}}{\text{Total labour force}} \times \frac{100}{1}$$

$$2. \text{ Participation Rate (\%)} = \frac{\text{Labour force}}{\text{Working age population (15+)}} \times \frac{100}{1}$$

$$3. \text{ Economic Growth (\%)} = \frac{\text{Real GDP (current year)} - \text{Real GDP (prev yr)}}{\text{Real GDP (previous year)}} \times \frac{100}{1}$$

$$4. \text{ Inflation Rate (\%)} = \frac{\text{CPI (current year)} - \text{CPI (previous year)}}{\text{CPI (previous year)}} \times \frac{100}{1}$$

5. Increase in Income

$$\Delta Y = k \times \Delta AD$$

where ΔY = change in final income

k = multiplier

ΔAD = initial change in AD