2.2.1. **What is the name of the phase between A and B?**

* Recession. ✓

**2.2.2. What does the trend line show?**

* The direction of the economy. . ✓

**2.2.3. Briefly describe the concept business cycles**.

* Business cycles are the upswings and downswings of economic activities. .
* The fluctuations of economic activities. . ✓✓

**2.2.4. How is employment between D and E?**

* Many people are employed and unemployment rate had decreased to the extent that at E there is expected full employment. ✓✓

**2.2.5. How can the government through fiscal policy stabilise the economy in a**

 **boom period? ✓✓**

* Government can increase taxes so as to minimise disposable income✓✓

and reduce companies profit. ✓✓

(Accept any other correct answer)