BALANCE OF TRADE AND BALANCE OF PAYMENT

Business cycle is the fluctuation of a country in its economic activity over a period of time.

CPI is one of the most important economic indicators of a country. It means **Consumer Price Index** and shows the rise in the average prices of goods and services.

The **BOT**, that is the **balance of trade,** and the **BOP**, that is the **balance of payment**, are two records of a country's international trade over a period of time (generally 12 months).

The BOT shows the difference between the total value of visible exports and visible imports. If the value of exports is higher, the country has a trade surplus; on the contrary, if the value of exports is lower, the country has a trade deficit.

The BOP is the record of the flows of visible and invisible exports and imports as well as any international monetary transaction into and out of the country.

The primary indicators of a nation's health and standard of living are the **Gross Domestic Product (GDP)** and the **Gross National Product**.

GDP is the monetary value of a country's production that occurs within its boundaries, by residents and foreign producers. It measures the economic strength or expansion of a country over a year: an increase in GDP means economic health, more production, low unemployment, higher demand for goods.

The **Gross National Product** is the total value of goods and services produced by the citizens of a country, regardless of their physical location.