

Glossary

Chapter 15

appreciation	an increase in the value of a currency (p. 305)
balance of payments	the record of international transactions of a nation over a year (p. 301)
capital account	a record of the foreign purchases or assets in the domestic economy (a monetary inflow) and domestic purchases of assets abroad (a monetary outflow) (p. 303)
current account	a record of a country's imports and exports of goods and services, net investment income, and net transfers (p. 301)
depreciation	a decrease in the value of a currency (p. 305)
derived demand	the demand for an input derived from consumers' demand for the good or service produced with that input (p. 307)
dirty float system	a description of the exchange rate system that means that fluctuations in currency values are partly determined by market forces and partly influenced by government intervention (p. 313)
exchange rate	the price of one unit of a country's currency in terms of another country's currency (p. 305)