Research Project 2

Instructions

1. Do research on 4 economic policies:
   - Fiscal Policy
   - Monetary Policy
   - Interventionist Supply-Side Policy
   - Market-Based Supply-Side Policy
2. Answer the questions WITHIN the space provided.
   (ห้ามเขียนเกินหน้ากระดาษที่กำหนดไว้)
3. You can do your work on the IPAD or the printed worksheet (scan and submit), but DO NOT TYPE.
   (สามารถ Print แล้วเขียนแล้ว Scan ส่งได้ หรือเขียนบน IPAD แล้วส่งก็ได้ แต่ห้ามพิมพ์)
4. The submission is via Moodle, and the deadline is on Wedensday, 19th May.
5. Any student committing plagiarism or suspected plagiarism will receive a mark of 0.

Grading Criteria

- A full mark will be awarded to those who can CORRECTLY answer the questions in the MOST CONCISE and EASY-TO-UNDERSTAND manner.
- Grammatical mistakes will have NO effect your mark, but please try to make your answer as readable as you can.
- You are not required to use all the space provided. Some questions require shorter explanations. As previously mentioned, the more concise, the better.

Hints / Tips

- Try searching through "Google Image" where you will see a lot of tables.
- There are many on Youtube as well.

Fiscal Policy 6304641647

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Briefly explain 2 pros:

1. Fiscal policy can use tax measures to reduced negative externalities. By forcing tax on people who waste the limited resources, so the negative impacts they create can be solve.

2) Fiscal policy allow government to spend directly on certain project that they consider to be the most effective for the economy.

Extra:

The result of fiscal policies seems to be faster then monetary policies.

Briefly explain 2 cons:

1) Tax incentives can be use on imports. This means money is sent to aboard more than in national economy.

2) Fiscal policy can cause the budget deficits which will occur when the government spend money more than recieve.

Extra:

Increasing tax rates can cause the negative consequence.

Monetary Policy

Briefly explain 2 pros:

1) MoneTary policy is easy To implement as They done by central bank which is independent.

2) Monetary policy That make currency weaker can make our exports increase

Extra:

To increase wages we can use some of inflation.

Briefly explain 2 cons:

1) MoneTary policy That maintain The interest rate low level can make liquidity Trap.

2) MoneTary impact The whole country even The sectors That no need economic stimulation

Extra:

MoneTary policy can cause hyperinflation

Supply-Side Policy

Definition:

Policies that created to lower costs, enhance productivity, efficiency as international competitiveness to allow the economy to expand.

Give 3 examples of “INTERVENTIONIST” supply-side policies (no explanation needed):

1) Vocational Training. government schemes to provide new skills to those who lose jobs.
2) Public sector investment in infrastructure to improve transportation and reduced cost.
3) Health spending public spending on health can reduce hours lost to ill-health.

Briefly explain how “INTERVENTIONIST” supply-side policies work

It work by intervention of the government to solve problem from market failures. This can done by increasing government spending on various section

Briefly explain ONE PRO and ONE CON of “INTERVENTIONIST” supply-side policies

1. The pro is the interventionist supply-side policies improved economic growth and also reduced unemployment rate.

2. The con of interventionist supply-side policy is that they require a lot of time and a huge amount of money to solve.

Give 3 examples of "MARKET-BASED" supply-side policies (no explanation needed):

1. Reduced welfare benefits - increase incentive to get a job.
2. Flexible labour markets – reduce power of trade unions, min wages and regulations.
3. Income tax cuts - greater incentive to work longer hours.

Briefly explain how "MARKET-BASED" supply-side policies work

Making - based supply-side policies work by increasing competitives and making free market efficient. And aims to remove equilibrum imbalances by using supply and demand.

Briefly explain ONE PRO and ONE CON of "MARKET-BASED" supply-side policies

1.) The pro is they can make trade easier and increase foreign investment.

2.) The con is that they cannot solve major problems caused by inadequate aggregate demand during recession.