

# 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 Wednesday, 19<sup>th</sup> 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

Briefly explain 2 pros:

- take less time than monetary policy because fiscal policy affect government & tax, so it can make fast impact to economy.
- can adjust specific term. For example, project that affect economy to recession, so Fiscal policy can adjust only this project.

Extra:

Briefly explain 2 cons:

- Fiscal policy have pass through political process.
- can increased unemployment rate by increasing tax.

Extra:

## Monetary Policy

Briefly explain 2 pros:

- Monetary policy does not need legislative process and political process, so it can change AD, while does not fear to political party.

- can implement fairly because when central bank signaling for monetary policy to the market. Market can tell result.

Extra:

Briefly explain 2 cons:

- Time lag because Monetary policy when apply it takes time for market to adjust.

- Cannot specific adjust because Monetary policy will adjust the whole market.

Extra:

## Supply-Side Policy

Definition:

A policy that help to increase productivity in economy to shifts Aggregate supply.

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

Health spending

Education

Public sector investment

Briefly explain how "INTERVENTIONIST" supply-side policies work

first, government intervene the market by increase education and training, improving transportation to shifts an LRAS to the right

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

- Pros. government can spending money to boost the economy by improve infrastructure health care, education etc.

- Cons. if government intervene the wrong point it may waste many cost and taxes.

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

- reducing income and corporation tax rate
- reducing the national minimum wages
- encouraging free trade

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

Market-Based supply-side policies focus on power of free market, so it allowing the demand and supply adjust by themselves.

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

- Pro can reform labor market by reducing trade power it will increase the mobility of labor. That make labor market more efficient
- cons.- It take a long time to have an effect.