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

Briefly explain 2 pros:

① Governments will run a large budget deficit and spend on capital projects to boost AD and general economic activity.

② Government may well try and reduce spending after the economy picks up.

Extra:

The use of revenue generation and spending policies by the government to manage public revenue and expenditure, and eventually affect the national economy, is referred to as fiscal policy.

Briefly explain 2 cons:

① State governments may undermine the federal government's fiscal plans through their own spending plans.

② Long inside or action lag - only 1 budget a year. Complex to introduce changes. Need to consult with interest groups.

Extra:

Governments don't always have the choice to shape the economy or deal with problems through fiscal policy. They don't occupy a good fiscal space, according to the RIS

Monetary Policy

Briefly explain 2 pros:

① Leaves central banks free to conduct monetary policy free of political interference.

② Delivers better inflation outcomes without compromising economic growth.

Extra:
A small amount of inflation is healthy for a growing economy as it encourages investment in the future and allows wokors to expect higher wages.

Briefly explain 2 cons:

① Leads to policy failures that might be prevented by policitcal oversight.

② Results in technocratic exceptionalism that can fuel populism.

Extra:
Even if implemented quickly, the macro effects of monetary policy generally occur after some time has passed.

Supply-Side Policy

Definition:

Include a range of policies designed to reduce costs, improve efficiency, productivity, and international competitiveness so economy can grow without inflation

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

① Housing supply
② Health spending
③ Public sector investment

Briefly explain how "INTERVENTIONIST" supply-side policies work

Supply-side policies to solve market failure, the government should intervene. Increased government spending on transportation education, and communication.

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

Pro of interventionist: Housing supply increase of councill housing improves geographical mobility

Con of interventionist: Lack of incentives to be efficient in the public sector.

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

①. Government involvement messes with the invisible hand
② Government forgo revenue
③ Cutting government spending

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

Market-based are policy instruments that use markets, price and other economic variables to provide incentives for polluters to reduce or eliminate negative environmental externalities.

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

Pro: A market economy permits supply and demand to interact freely, ensuring the production of the most wanted commodities and services.
Con: Competition is the most important mechanism in a market economy. As a result, there is no struture in place to help individuals who are already at competitive disadvantage.