

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, 19th May.
5. Any student committing plagiarism or suspected plagiarism will receive a mark of 0.

IPAD
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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.

Girof Phusakurud

Fiscal Policy

Briefly explain 2 pros:

- Expansionary Fiscal Policy can create more job opportunities for people and stimulate employment
- Contractionary Fiscal Policy can be employed to reduce budget deficit by increasing tax revenue or lowering public spending

Extra:

Briefly explain 2 cons:

- Conflict of objectives can occur if Government uses a mix of Expansion and contraction Fiscal Policy.
- There're usually delays in implementation of fiscal policy amid legislative processes.

Extra:



Monetary Policy

Briefly explain 2 pros:

- Any decision made by central bank can be executed in a very short time (no lag)
- have a better ability to stabilize price and inflation

Extra:

Briefly explain 2 cons:

- The effect on the labor market and public sector is not as quickly as fiscal policy.
- discrete policy made by central bank may have effect on the economic and damage the credibility of the central bank.

Extra:



Supply-Side Policy

Definition:

government attempts to increase productivity and increase efficiency in the economy.

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

- improving geographical mobilities
- improving transport & infrastructure
- increased education & training

Briefly explain how "INTERVENTIONIST" supply-side policies work

involve an element of Government spending and/or encourage greater levels of Investment which shift AD to overcome market failure.

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

- lead to greater productivity or lower cost, encouraging higher level of production, economic growth and employment
- Market failure exists, resources aren't always allocated efficiently



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

- free trade
- flexible labour market.
- income tax cuts.

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

focus on the power of free market or the force of supply and demand to eliminate equilibria imbalances.

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

- competition leads to increased efficiency and eliminate market failure.
- reductions in progressive direct taxes might lead to an increase in income & wealth inequality.

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