



ECONOMIC POLICY 101



Directions – This is an un-pledged assignment. Students are encouraged to help each other, and get information from a variety of sources (Sabato, Wilson, internet, parents, teachers, etc.). In class we will convene a Darden School of Business style open forum in which all members of the class will be required to participate (basic rule: no one speaks twice until everyone has spoken once).

I. Economics: The Basics

1. *Economics* –
2. *Microeconomics* –
 - *Supply and Demand* –
3. *Macroeconomics* –

II. The Tools and Theories of Economic Policy

1. *Fiscal Policy* –
 - a. *Keynesian Economics* –
 - b. *Supply Side Economics* –
2. *Monetary Policy* -
 - a. *What is the Federal Reserve Board and what does it do?* –
 - b. *Two primary strategies of the Fed:*
 - *Expansionary policy* -
 - *Contractionary policy* –

III. Budget Terminology

1. *Budget* –
2. *Budget Deficit* -
3. *National Debt* –
4. *Revenues* –
5. *Continuing Resolution* –
6. *Appropriations Bills* –
7. *Gross Domestic Product (GDP)*-

VI. Where does the Government get its revenues i.e. taxes?

1. *Progressive Tax* –
2. *Regressive Tax* -
3. *Payroll (Entitlement) Tax* -
4. *Excise Tax* –
5. *Corporate Tax* –
6. *Capitol Gains Tax* –

IV. Where does the government spend its money?

1. *Mandatory Spending* –
 - a. *Entitlement Programs* –
 - *Social Security* –
 - *Medicare* –
 - *Medicaid* –
 - b. *Interest on the Debt* –
2. *Discretionary Spending* –
 - *List Five Examples of Spending* –