

Fiscal Policy Study Guide

Be able to define, identify, & apply information about each of the following:

- The federal budget
 - Budget process
 - Where bulk of federal, state, & local spending goes
 - Budget surplus
 - Budget deficit
 - National debt
 - Deficit spending – why relied upon, how to limit it, & the proposed balanced budget amendment (why not chosen)
- Fiscal policy strategies
 - Fiscal policy
 - Types of fiscal policies
 - Demand-side economics
 - Supply-side economics – & criticism of
- Tools of fiscal policy
 - Marginal tax rates – & how it works
 - Tax incentives – & how it works
 - Investment tax credit
 - Changes in government spending – & how it works
 - Public transfer payments – & how it works
 - Progressive income taxes – & how it works
- Limitations of fiscal policy
 - What type of fiscal policy most popular? Least popular?