

Scenario:

You are one of many economic analysts recently hired by White House Foreign Relations to keep the President updated as to the economic status of countries around the world. To this end, you are to collect and compile data and information on a designated country. Your current task is to report on policies designed to achieve the government's macroeconomic goals. (A 10-point deduction will be taken if the bibliography is not completed.)

ASSIGNMENT:

In the past few weeks, your "training" has included coverage of policies that a government might use to achieve its macroeconomic goals: FISCAL POLICY (taxation and spending) and MONETARY POLICY (changes in money supply).

In your report to the White House, address each of the following areas:

(A 10-point deduction will be taken if #5 [bibliography] is not completed.)

- 1. **Report on the current FISCAL POLICY of your research country.** I.e., give *one example* of fiscal policy for your country from a current news source. Is this policy expansionary or contractionary? Include a link to the source article.
- 2. **Report on the anticipated effects of the FISCAL POLICY.** Which of the macroeconomic goals (stable prices, low unemployment, high & sustained growth) does the policy seemed designed to achieve? Illustrate the impact with an AS-AD diagram.
- 3. **Report on the current MONETARY POLICY of your research country.** I.e., give *one example* of monetary policy for your country from a current news source. Is this policy expansionary or contractionary? Include a link to the source article.
- 4. **Report on the anticipated effects of the MONETARY POLICY.** Which of the macroeconomic goals (stable prices, low unemployment, high & sustained growth) does the policy seemed designed to achieve? Illustrate the impact with an AS-AD diagram.
- 5. Include a bibliography of sources (a 10-point penalty will be assessed if the bibliography is not included).