**Heydərova Nərgiz\_İqtisadiyyatın tənzimlənməsi**

1. Discuss in depth using formulas the dangers of high debt.
2. Consider a one-year decrease in taxes for the path of debt and future taxes. Start from a situation where, until year 1, the government has balanced its budget, so that initial debt is equal to zero. During year 1, the government decreases taxes by 1 million for one year. Thus, debt at the end of year 1, *B*1, is equal to 1. Discuss full repayment in year 2 with formulas and explanations.
3. Expansionary and contractionary fiscal policy. Support with graphs
4. What id debt-to-GDP ratio? Using the example of Debt Ratios, growth rates, real interest rates, inflation rates, primary balances after World War II in the countries which are not included in presentation, discuss how they achieved to reduce their debt (use formula).
5. Discuss what happens in the country when it defaults on its foreign debt. What will happen to different sectors in the economy? Take a real life example and discuss what has happened and how the country is trying to solve the problem.
6. Why economists prefer subsidies to tariffs?
7. Consider a one-year decrease in taxes for the path of debt and future taxes. Start from a situation where, until year 1, the government has balanced its budget, so that initial debt is equal to zero. During year 1, the government decreases taxes by 1 million for one year. Thus, debt at the end of year 1, *B*1, is equal to 1. Discuss full repayment in year 4 with formulas and explanations.
8. Discus how the government can fight deflation
9. Discuss arguments *for* trade protection
10. What is a tariff? Discuss the effects of tariff on economy and welfare. Draw graphs to support your answer
11. What is an import quota? Discuss the effects of an import quota on economy and welfare. Draw graphs to support your answer
12. Discuss subsidies that result in exports of the protected good. ? Discuss the effects of tariff on economy. Draw graphs to support your answer
13. Discuss government intervention in international trade: administrative barriers, voluntary export restraint, local content requirement.
14. Consider a one-year decrease in taxes for the path of debt and future taxes. Start from a situation where, until year 1, the government has balanced its budget, so that initial debt is equal to zero. During year 1, the government decreases taxes by 1 million for one year. Thus, debt at the end of year 1, *B*1, is equal to 1. Discuss debt stabilization in year *t* with formulas and explanations.
15. Sources of government revenue and types of government expenditures
16. Discuss automatic stabilizers and multiplier
17. Discuss how government finances it deficit through debt monetarization. Discuss the effects on economy and with prove it with quantity theory of money.
18. Following WWII, Germany and Japan were growing twice, sometimes three times, the rate of the winning countries, such as the United States. Why?
19. Discuss what the government should do to increase economic growth? (base your answer on Solow model)
20. Discuss government and human capital in Sollow economic growth model. Support with a graph
21. Discuss government and physical capital in Sollow economic growth model. Support with a graph
22. Discuss government and technology & ideas in Sollow economic growth model. Support with a graph
23. Discuss interaction of monetary policy and exchange rates and its effect on the economy
24. A county “Orxanlandia” has stagflation. In this question, we try to understand why stagflation is particularly hard to fix using fiscal policy.
25. What would be the appropriate fiscal policy response to this situation if the primary concern of the government was to maintain economic growth? Illustrate on grap the effect of the policy on the equilibrium point and the aggregate price level using the diagram.
26. What would be the appropriate fiscal policy response to this situation if the primary concern of the government was to maintain price stability? Illustrate on graph the effect of the policy on the equilibrium point and the aggregate price level using the diagram.
27. Discuss the effectiveness of the policies in parts (a) and (b) in fighting stagflation.
28. Discuss the problem of crowding out, types and graphs.
29. Explain in depth why exchange rate volatility matters and to whom
30. Discuss floating and fixed exchange rates: types, how they work, which countries use them.
31. Discuss fixed exchange rate system. Explain dollarization, currency board. Discuss their pros and cons.
32. Discuss equilibrium in floating exchange rate system. Then imagine that foreign countries desire less of domestic goods or foreign investors desire less of domestic assets. What will happen to domestic exchange rate? Show everything on the graphs
33. Discuss equilibrium in floating exchange rate system. What will happen to exchange rate if domestic interest rate rises? What will happen to domestic currency if foreign exchange rate increases? Show everything on the graphs
34. Discuss how exchange rates and interest rates are connected. Prove your point with examples and graphs.
35. How do CB stabilize foreign exchange markets? Discuss unsterilized intervention using graphs and Balance sheets of Central bank and commercial bank
36. How do CB stabilize foreign exchange markets? Discuss sterilized intervention using graphs and Balance sheets of Central bank and commercial bank
37. How do Central banks adjust liquidity and what is the impact? Discuss open market operations. Also, show how they work with balance sheets and graphs.
38. How does Central Bank set a target for the interest rate? Use graphs to explain
39. How does the Central Bank keep the interest rate on target? Discuss the method, standing facilities and interest rate corridor.
40. Discuss monetary policy tools and explain in depth how each one works.
41. Discuss unconventional monetary policy tools and explain in depth how each one works.
42. Discuss Liquidity trap, nominal and real interest rates and the consequence of zero lower bound. Explain using graph and formula
43. Explain contractionary and expansionary monetary policy using theory and graphs
44. Discuss real interest rate, formulas to calculation and connection of real interest rate and expenditures
45. Discuss Fisher equation in depth
46. Discuss ex ante and ex post real interest rates and their effects on borrowers and lenders
47. Discuss monetary policy transmission channel: interest rate channel
48. Discuss monetary policy transmission channel: expectation channel
49. Discuss monetary policy transmission channel: exchange rate channel
50. Discuss monetary policy transmission channel: asset prices channel
51. Discuss the yield curve in depth: types and what it can predict
52. Discuss different roles of the Central bank
53. Using the diagrams, explain the impact on real GDP, the price level and unemployment, of the following policies of a country’s central bank: **(a)** a fall in the rate of interest **(b)** an increase in the rate of interest. **(c)** Note when the ratchet effect comes into play. **(d)** How does the ratchet effect affect your answers concerning changes in the price level?
54. Discuss different perspectives of the role of government in economy
55. Discuss Market failures and the role of government
56. Discuss the difference if the government will put an indirect tax on bread and on indirect tax on jewelry. Draw graphs and explain.
57. Discuss why the governments grant subsidies and what subsidies do we have in Azerbaijan
58. The size of the tax and the government revenue. Discuss using the graph and Laffer curve.
59. If you drive a car, it creates air pollution and contributes to congestion. These are both external effects imposed on other people who live in the city. What is an externality? Determine what type of externality it is. Draw a graph and discuss the ways to deal with this externality.
60. Some governments implement minimum wage laws. What is a price floor? Why do the government implement minimum wage? What are the effects: discuss and draw a graph with explanation. What are the results?
61. Explain why education and health care services are underprovided by the market. Discuss policy options available to governments to correct this problem.
62. Discuss how the government uses to regulate in order to reduce market power in economy: legislation, marginal cost pricing, average cost pricing, regulation of quality service. Some of the ways must be supported by the graphical explanation.
63. Discuss how the government uses to regulate in order to reduce market power in economy: price capping, rate of return regulation, taxes, nationalization, investigation . Some of the ways must be supported by the graphical explanation.
64. Some governments use food price ceilings. What is a price ceiling? Why do the government implement food price ceiling? What are the effects: discuss and draw a graph with explanation. What are the results?
65. If there is a new research for finding the drug to cure cancer. This is an external effect imposed on other people who live in the society. What is an externality? Determine what type of externality it is. Draw a graph and discuss the ways to deal with this externality.
66. Discuss negative consumption externalities and the was to correct them
67. Discuss positive consumption externality and the ways to correct them
68. Discuss all the reasons why government intervenes into the economy
69. What are some measures governments can take to dispose of surpluses that result from the imposition of a price floor in an agricultural product market? What are some problems associated with these measures?
70. Discuss monopoly outcomes and efficiency: draw graphs, explain and give a reason why government intervenes.
71. In your opinion, when is it the best time for the government to intervene and when it is not. Provide examples to prove your point.
72. Discuss strength and weaknesses of monetary policy
73. Discuss strength and weaknesses of fiscal policy
74. Discuss consequences of persistent current account surpluses
75. Explain the effect of a decrease in demand for Azerbaijani caviar on azeri manat. Draw on the foreign exchange diagram.
76. Weaknesses of government’s interventionist policy
77. Discuss consequences of overvalued and undervalued currencies done by government
78. How does an increase in the saving rate affect economic growth? Support with a graph. How can government promote increase in saving rate?