Economics of Social Spheres. Quiz 2.

1. What are the differing views concerning the economic role of government? How have they changed over the years and what has given rise to those changes?
2. Discuss the possible factors that may cause government interventions to fail.
3. What are the main sources of disagreements among economists towards the government’s role in the economy.
4. Indicate and explain the stages to analyze public sector policies.
5. Discuss achieving the balance between public and private sectors in mixed economies.
6. What do economists mean when they say the economy is efficient?
7. What conditions have to be satisfied if markets are to be efficient
8. Discuss the fundamental theorems of welfare economics?
9. Discuss the exchange efficiency.
10. Discuss the production efficiency.
11. What are the principal reasons why markets fail to produce efficient outcomes?
12. Discuss the market failure cases and government’s role to deal with these situations.
13. Why might the government intervene in the market's allocation of resources, even when it is Pareto efficient? What are merit goods? What is government's role in redistribution?
14. For each program listed below, discuss what market failures might be (or are) used as a partial rationale:

* Automobile safety belt requirements
* Regulations on automobile pollution
* National defense
* Unemployment compensation
* Medicare (medical care for the aged)
* Medicaid (medical care for the indigent)

1. For each program listed below, discuss what market failures might be (or are) used as a partial rationale

* Federal Deposit Insurance Corporation
* Federally insured mortgages
* Law requiring lenders to disclose the true rate of interest they are charging on loans (truth-in-lending laws)
* National Weather Service
* Urban renewal
* Post office
* Government prohibition of the use of narcotics
* Rent control

1. What are the major steps in the analysis of a public expenditure program.
2. Discuss the alternative forms of government intervention.
3. Discuss the distributional consequences of a public programs.
4. Discuss the efficiency consequences of public programs.
5. What are the potential reasons why the the actual effects of a government program may differ from intended objectives.
6. What is the cost-benefit analysis and why is it useful? What are the basic steps in cost benefit analysis?
7. How does private cost-benefit analysis differ from social cost-benefit analysis.
8. Discuss the role of consumer surplus in cost benefit analysis of a project.
9. Discuss measuring non-monetized costs and benefits of government projects?
10. Explain discount rate used for social cost benefit analysis of a government project.
11. How do private markets respond to externalities? What are the limitation of these private sector solutions of externalities?
12. What are the principal ways that the public sector may use to deal with the externalities?
13. Discuss the advantages and disadvantages of different government alternativies to deal with externalities.
14. Indicate graphically how the market outcome differs from the optimal point in case of both positive and negative externalities.
15. Discuss the Coase theorem of internalizing externalities.
16. Explain how the fines and taxes can be used to deal with negative externalities.
17. Discuss the effectiveness of subsidizing the pollution reduction to overcome the environmental problems.
18. What is the rationale for government actions to promote research and new technologies?
19. What are the intellectual property rigths and how the may be used to deal with underinvestment in research.
20. What kind of policies can be implemented by the government to stimulate private sector research and innovation.
21. Discuss the main characteristics of the effective government innovation policies.
22. Discuss the direct support of government on research and development.
23. Discuss the relationship between educational expenditures and outcomes.
24. Distinguish the publicly provided and publicly financed education system, and discuss their effectiveness.
25. Explain the rationale behind the publicly provided and publicly financed education system.
26. Discuss the human capital view on educational outcomes.
27. Discuss the screening view on educational outcomes.
28. Discuss the efficiency of school vouchers policy.
29. Identify different approaches on the relationship between education expenditures and education performance.
30. Explain the relationship with income ineuality and economic growth relying on recent researches on this field.
31. Identify possible policy alternatives to overcome raising income inequality.
32. Distinguish the inequalty of output and inequality of opportunities, and explain any relationship between them.
33. Identify the possible threats that high and sustainable inequality may pose for the country’s economy.
34. Identify the factors that has contributed on the level of income inequality globally in recent decades.
35. “Reducing the inequality of income may help the country to achieve higher economic growth rate.” Justify this statement.
36. What is the social insurance and why does the government provide it?
37. What market failures provide the rationale for the publicly provided social security system.
38. Discuss the lack of indexing of private insurance policies and its possible implications.
39. Briefly explain the differential risks and adverse selection problem of the private insurance policies.
40. Introduce the moral hazard problem of insurance problems. And explain how it affects the private and public insuranse systems.
41. Discuss different views about the impact of social insurance on labor supply and savings.
42. Discuss the privatization of social security system, indicate the advantages and disadvantages.
43. Indicate basic welfare programs and discuss the ationale for the government to provide welfare programs.
44. Distinguish the characteristics of categorical and broad based public aid programs and comment on their efficieny.
45. Explain the characteristics of in-kind benefits. State the arguments that are in favor and against of these benefits.
46. Discuss the public housing programs and their potential impacts.
47. Discuss the inefficiencies that in-kind benefit programs may cause.
48. Discuss the rationale for government to provide public welfare programs.
49. Discuss potential impact of welfare programs on labor supply and indicate different views on this issue.
50. Discuss the pros and cons of in kind benefits form of welfare programs.
51. Indicate the problems with market-provided health insurance.
52. Discuss the rationale for a role of government in health care sector.
53. Discuss the imperfect information problem in health care sector.
54. Explain the limited competition characteristic of health care sector.
55. State and explain the market failures that may arise in helath care market.
56. Explain moral hazard and adverse selection problems related with marrket-provided helath insurance.
57. Discuss the inefficiencies of health care markets and their consequences.
58. What are the arguments in favor of publicly provided health care program.
59. Discuss the disadvadtages of private insurance system.
60. Dicuss the advantageous and disadvantageous sides of in-kind benefits.