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| **Description: logo_unec**  **AZƏRBAYCAN DÖVLƏT İQTİSAD UNİVERSİTETİ** |
| **BEYNƏLXALQ İQTİSADİYYAT MƏKTƏBİ** |
| **BEYNƏLXALQ İQTİSADİYYAT (İNGİLİS DİLLİ) KAFEDRASI**  Fənn: İqtisadiyyatın tənzimlənməsi  Müəllim: Səbinə Tağıyeva  Qrup: 1062  **QUİZ 1**  **Suallar** |

**ECONOMIC REGULATION**

**Introduction to public policy**

1. Please, explain existing 3 approaches to economic policy
2. Explain normative economics approach and its specific characteristics
3. Would you please, explain “rational expectations” and “political behavior” theories?
4. Please, describe 6 main functions of government in economic regulation?
5. What is “a simple representation of economic policy”? How does this approach defines economic policy?
6. Please, explain economic policy “as a succession of trade offs”?
7. What is “structural reform” approach in economic policy?
8. Please explain in details 3 main functions of economic policy?

**Public policy evaluation**

1. Please, explain all reasons why government has to intervene into economics to ensure allocation of resources?
2. Please, explain nature of shocks in the economy and their effect on demand and supply?
3. Explain utility consideration in economic policy? What is intertemporal utility and how it is calculated?
4. Please, explain the 1st theorem of welfare and Pareto optimum?
5. What is the dilemma between “optimality” or “ensuring equality” in public decision making?
6. What are policy evaluation methods? Please, explain each
7. How inequality is being measured? Please, explain in details all 3 indices.
8. Please, elaborate on practical indices that are used to measure effectiveness of public policy?

**Limitation in public decision making**

1. What are the limitations in public decision-making?
2. Please, explain model and parameter uncertainty?
3. Please, explain risk factor in public policy decision making.
4. Please, explain rational expectation and Lucas critics theories
5. Why it is important for government to build up credibility and why government authorities might intentionally provide inaccurate information to public?

**Interdependence in public decision-making:**

1. What are “pro” and “cons” of international cooperation? Why it is important?
2. What are “fiscal federalism” and “The Oates’ decentralization” theories about?
3. Please explain each type of economic union
4. Would you please describe development history of European Union? How decision making process is set in EU?

**Fiscal policy**

1. What is fiscal policy and what elements it includes? What are advantage and deficiencies of the fiscal policy in comparison with monetary?
2. Please, explain following possibilities to address public debt: monetarization of deficit and public barrowing.
3. Please, explain types of fiscal balance
4. Public debt: rates of accumulation and management. Please, explain modern practices.
5. Please, explain Keynesian multipliers: government purchase and tax. Explain calculation.
6. Explain fiscal expansion based on IS-LM model.
7. Explain Mundell-Fleming Model
8. Is fiscal policy effective in case fixed exchange rate and high capital mobility? Please, explain your response in detail based on graph?
9. Is fiscal policy effective in case fixed exchange rate and low capital mobility? Please, explain your response in detail based on graph?
10. Is fiscal policy effective in case of floating exchange rate and high capital mobility? Please, explain your response in detail based on graph?
11. Is fiscal policy effective in case of floating exchange rate and low capital mobility? Please, explain your response in detail based on graph?
12. Can you please, neoclassical critique.
13. Please, explain Ricardian equivalence argument of neoclassical critique
14. What are characterization of efficient fiscal policy? What is fiscal discipline? Please, provide some examples of fiscal discipline practiced by world countries?
15. Can you describe fiscal policy of US? What is fiscal federalism?
16. Please, explain Golden Rule of fiscal policy practices by most European Countries?
17. Can you please, describe British Golden Rule example? Is there economic evidence of its success?
18. Please, describe preventive and dissuasive arm mechanism practiced by Germany?
19. Can you describe fiscal system of EU zone? What is the role of Stability and Growth Pack (SGP)?

**Monetary policy**

1. Describe role and elements of monetary policy?
2. Please describe administrative tools of central bank in regulation of money market?
3. Please describe economic tools of central bank in regulation of money market?
4. Describe 3 monetary instruments that European Central Bank (ECB) mostly use?
5. Please, describe credit Rationing theory of Stinglitz and Weiss. (graph explanation is required)
6. Please, describe all 3 channels of monetary impulse transition?
7. Please, explain price stability and exchange rate stability objectives of monetary policy?
8. Please, explain output stabilization and financial stability objectives of monetary policy?
9. How long-term assets are priced in comparison with short term ones?
10. Please, explain long-term neutrality of money and reasons of nominal rigidities?
11. Can you please, explain relationship between interest rate and asset pricing? What is Gordon-Shapiro formula?

**Exchange rate policy**

1. Please, describe The Gold Standard and Gold Exchange Standard?
2. Would, you please, explain European Monetary System (EMS)?
3. What are the forms of “hard peg” exchange rate systems? Please, explain each
4. Please explain forms of “intermediate” exchange rate regimes?
5. What is balance of payments. Please, describe its elements
6. Would you please, explain Purchasing Power Parity and Balassa-Samuels effect?
7. Please, explain Marshall-Lerner condition?
8. Please, explain theory of Optimum currency areas
9. Please, describe interconnection of capital mobility and an exchange rate regime
10. Would you please, describe pro and cons of capital openness?

**Taxation.**

1. Please describe functions of taxation?
2. Please, describe tax types based on their collection forms?
3. Can you please, explain negative taxation concept.
4. Would you please explain tax incidence and its applications cases.
5. Can you please, describe social losses and distortions related to taxation.
6. Why high level of taxation causes diminishment of tax revenues? Please explain Laffer curve
7. How increase in tax on one good, effect pricing of substitute? Please, use graphs in explanation.
8. Please, explain the impact of taxes on capital and labour.
9. Would you please, explain optimum taxation . How it is determined?
10. What is the role of Pigovian taxes? What is its impact? Please, use graph in explanation