**Abbasov Əhliman\_İqtisadiyyatın tənzimlənməsi**

1) Discuss the importance of competition and competition policy of government.

2) What is abuse of dominant position in the market and why it is harmful for the social welfare.

3) What is mergers, what are their negative impact and how governments may regulate them.

4) Discuss the societal risks of monopolies.

5) Explain natural monopolies and indicate possible alternatives to regulate them.

6) Briefly discuss an expansionary fiscal policy and a contractionary fiscal policy.

7) Discuss graphically how the fiscal policy can be used to stimulate the production during recessions.

8) Discuss graphically how the fiscal policy can be used to reduce the rate of inflation.

9) Explain the concept of multiplier effect briefly.

10) What is a cyclically-adjusted budget balance and why governments calculate it?

11) In each of the following cases, determine whether the policy is an expansionary or contractionary

fiscal policy.

**a.** Several military bases around the country, which together employ tens of thousands

of people, are closed.

**b.** The number of weeks an unemployed person is eligible for unemployment benefits is

increased.

**c.** The federal tax on gasoline is increased.

12) Explain why a $500 million increase in government purchases of goods and services will

generate a larger rise in real GDP than a $500 million increase in government transfers.

13) Explain how a policy of fiscal austerity can make it more likely that a government is

unable to pay its debts.

14) Briefly discuss the problems that rising government debt may cause.

15) Discuss the market failure cases and government’s role to deal with these situations.

16) Indicate the forms of market failure conditions. State examples for each of them and appropriate government respond to fix them.

17) What are the principal reasons why markets fail to produce efficient outcomes?

18) How do private markets respond to externalities? What are the limitation of these private sector solutions of externalities?

19) What are the principal ways that the public sector may use to deal with the externalities?

20) Discuss the advantages and disadvantages of different government alternativies to deal with externalities.

21) Indicate graphically how the market outcome differs from the optimal point in case of both positive and negative externalities.

22) Discuss the effectiveness of input based and output based policies to control environmental pollution.

23) Explain how the fines and taxes can be used to deal with negative externalities.

24) Discuss the effectiveness of subsidizing the pollution reduction to overcome the environmental problems.

25. Discuss the alternative theories of economic policymaking.

2nd 25 QUESTION

1. Discuss the balance sheet of a central bank.
2. Explain how the sale of foreign bonds by the central bank will be indicated in the balance sheet of the central bank.
3. Explain how the purchase of assets denominated in the foreign currency will be indicated in the balance sheet of the central bank.
4. Explain graphically how the value of country’s currency will be changed if the demand for the country’s goods and services increases.
5. Explain what happens to the value of a country’s currency if the central bank conducts expansionary monetary policy.
6. Distinguish the concepts of currency appreciation, depreciation, devaluation and revaluation.
7. Explain briefly how the value of a currency is determined by using graphical illustration.
8. Discuss the balance of payments crisis and possible policy steps to deal with it.
9. Indicate the main characteristics of the flexible, fixed and managed-floating exchange rate regimes.
10. Discuss the monetary policy inefficiency in the fixed exchange rate regime.
11. Discuss how the fiscal policy can be used to stimulate the production in fixed exchange rate regimes.
12. Discuss the causes and consequences of capital flight problem. Which policies can be implemented by the government to overcome capital flight.
13. Explain how the central bank fixes the exchange rate.
14. What is the sterilization policy and how it is conducted.
15. Suppose that the central bank has fixed the exchange rate at but the level of output rises, how the central bank will react to keep fixed value of its currency.
16. Explain briefly how the expansionary monetary policy will affect interest rates, output and price level. Illustrate graphs.
17. Distinguish the short term and long-term effects of money supply growth.
18. Suppose that the central bank increases the money supply. How the value of the country’s currency will change.
19. Explain graphically how the interest rates will change as the output increases in the economy.
20. Graphically discuss the effects of contractionary monetary policy.
21. By using AS-AD model indicate how the market equilibrium will change in the long run if the money supply increases.
22. By using AS-AD model indicate how the market equilibrium will change if the government increases fiscal expenditures.
23. By using AS-AD model indicate how the market equilibrium will change if the government conducts austerity policies.
24. Discuss the Taylor rule of interest rate determining.
25. Explain the monetary neutrality in the long run.

3RD 25 QUESTION

1. Introduce the concept of protectionism and discuss the motives of protectionist trade policies.
2. Introduce the concept of tariffs and graphically illustrate the effects of tariff.
3. Distinguish the effects of tariffs on domestic consumers and suppliers and provide a graphical illustration.
4. Graphically illustrate and discuss the costs and benefits of a tariff for an importing country.
5. Discuss the effects of export subsidies.
6. Explain the trade policy tools of import quatas and voluntary export restraints.
7. What is local content requirement and how it may help the domestic industry.
8. Discuss the welfare effects of import tariffs by presenting graphical illustration.
9. Distinguish the ad valorem and specific tariffs. Discuss the effects of import tariffs.
10. Explain the concepts of export subsidies and voluntary export restraints.
11. Distinguish the progressive, regressive and proportional taxation systems.
12. Indicate graphically how the taxation may change the market equilibrium.
13. Explain the concept of deadweight loss and discuss the factors that may affect the size of deadweight loss.
14. Illustrate graphically and explain how taxation may affect the welfare of market participants.
15. Explain the concept of Laffer curve.
16. Discuss the relationship between tax size and tax revenue with graphical representation.
17. Briefly explain the relationship between the concept of elasticity and deadweight loss of taxation.
18. Indicate graphically how the tax burden is shared between the market participants. Which factor may affect the tax share of consumers or producers?
19. Discuss the costs of taxation and factors that may change its size.
20. Discuss the importance of a good functioning financial system for economic growth.
21. Discuss the importance of education policy for the socio-economic development of a country.
22. What conditions are crucial to ensure a successful investment climate.
23. Discuss the role of improving institutions to achieve higher rate of economic growth.
24. Briefly discuss the importance of research and innovation to achieve higher level of economic development.
25. Discuss the influence of public infrastructure to support economic growth of a country.