Economic Regulation – Final Exam Question

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Qrup - 1005

1. Explain 3 alternative Approaches of Economic Policy. Make *a case example* related to normative economics *first* and *second best solution*.
2. What do policymakers do? Explain all the tasks as grouped into 6 categories
3. Choose one of the main global problems of nowadays and it’s real solution related to economic policy
4. Explain difference between stabilization and allocation policy.
5. Explain government trade-off: with its 3 objective (unemployment rate, current account, inflation rate) and 2 instruments (fiscal balance and the short term interest rate)
6. What is the difference between Benthamian and Rawlsian function. Explain by using graphical illustration.
7. When social welfare functions can be used for evaluation allocation of resources and macroeconomic stabilization.
8. Ex-post economic policy evaluation. Explain with an example
9. Explain *cut in personal income tax* effect on allocation, stabilization and redistribution effects.
10. What are the direct and indirect effect of 3 Public Policies on *reduction in income tax*, *increase in government expenditures* and *increase in social transfers*
11. Main limits to the traditional approach to economic policy: The limits of representation.
12. Explain Moral hazard problem. Make an example of Russian financial crisis in 1998
13. Why credibility of public intervention is very important for succesful economic policy implementation?
14. Explain the limits of information – what is the negatives of asymmetric information within the government?
15. Why politicians may depart from the general interest?
16. Global public goods. Illustration with table the relationship between exludable (non exludable) and rival (non rival) goods
17. How and why the international Spillovers occur?
18. Explain the main arguments against coordination
19. What is the difference and similarities between IMF, BIS, FSB?
20. The European Union – brief explanation. The main hypotheses of Economic logic of European integration.
21. What is the fiscal policy? Explain fiscal (budgetary) balance and fiscal (budget) surplus.
22. What is monetization of the deficit. Explain its effects into hyperinflation case in Latin America.
23. The debt ratio in a historical perspective. Make an example of UK and France public debt
24. The use of fiscal policy. Country example
25. What is the criteries for assessing public debt sustainability?
26. What is the main eight criteria for an “ideal fiscal rule”?
27. Explain with your own words example of fiscal rules in one of the main countries in the worldwide
28. Explain two definition of public investment
29. What is the three major issues in the fiscal policy context of the European Economic and Monetary Union. Explain in detail one of this issues
30. What is the major reasons for nations to coordinate fiscal policies?
31. What is the main objectives of Central Banks?
32. Reserve requirement. Definition, country example and which countries eliminated it
33. Explain with your own word how the price of liquidity can be defined
34. What is the distinction between market liquidity and funding liquidity. And what you know about their relationship during financial crises in 2008-2009?
35. Which policy issues have been raised by the role of the financial stability to the central banks
36. How monetary policy can affect real variables? Three main transmission channels in the closed economy
37. Why central bank should have an independence?
38. How central banks can build up their credibility?
39. What is the transparency and independence level of Central bank Azerbaijan Republic?
40. The mandates of 4 central banks (US Fed, ECB, Bank of England, Bank of Japan). Table explanation of Price stability, Exchange-rate stability, output stabilization and Financial stability.
41. Explain from historical perspectives Basel I, II and III
42. If the central bank intends to keep inflation at xx%, how should it set the interest rate? The three types of rules.
43. Main advantages of inflation targeting
44. What is the key currency for international transactions and why?
45. What is the relevant instrument to identify supply and demand of foreign currency. And explain its three accounts
46. Difference between hard and soft pegs
47. Regarding observation of real exchange rates over long periods and across countries define and explain two stylized facts
48. Explain one of the currency-crisis models with real country example
49. Explain Mundell’s Impossible Trinity
50. How the monetary authorities can influnce or try to influce the exchange rate?
51. What is the main stylized facts of growth policies
52. Explain relationship between growth and inequality. How they can effec to each other
53. How can growth be measured
54. Trends in global inequality nowadays
55. Why TFP can’t be supposed as an exogenous phenomenon. Explain 2 reasons
56. In the presence of external effects social return will be higher or private return. Telecommunation network case
57. What is the relationship between trade and growth
58. How can we boost the growth. Give brief explanation of pillars
59. What is the interrelation between long-term and short-term trends.
60. Strategies for increasing labor supply
61. How can be seen competition from the eyes of economists and industrialists. Microsoft case
62. What & why is the Taxation about
63. Interconnection between allocation, distribution and stabilization policies
64. Remembering the graph how total tax revenues distributed along countries in 2007. Reasons of such kind distribution
65. Who and how the taxes are collected. Types of the tax
66. Difference between horizontal and vertical redistribution
67. Explain tax on supply and demand with graph
68. What is the main tax policies
69. How tax burden can be distributed equitably. Horizontal and vertical equity
70. What is the 2 step strategy of the European Commission in removing corporate tax distortions in the EU
71. After 2014 what kind of economic road Azerbaijan has passed?
72. History of Devalvation of Azerbaijan. How and with which policies government stabilized the macroeconomy
73. New Economic model of Azerbaijan – what you can suggest
74. What is the role of oil-gas sector in Azerbaijan’s Economy
75. The taxes that applicale in the Republic of Azerbaijan and how they are regulated