***Fiscal Policy***

*Fiscal Policy is…*

*Fiscal Policy is run and directed by…*

*The main decisions deal with…*

*What is the difference between expansionary and contractionary policy?*

***Tools of Fiscal Policy:***

1. *Taxing:* 
   1. *Types of Taxes…*
      1. *Proportional taxes are*
         1. *Example*
      2. *Progressive taxes are*
         1. *Example*
      3. *Regressive taxes are*
         1. *Example*
      4. *Estate tax*
         1. *Example*
      5. *Gift Tax*
      6. *Import tax*
         1. *Example*
   2. *The* ***incidence of a tax*** *is*
   3. *The* ***ability to pay*** *principle is*
   4. *The* ***benefit principle*** *of taxation is*
   5. *Taxes affect the economy by*
      1. *Resource*
      2. *Behavior*
      3. *Productivity and*
   6. *If the economy needs a boost, the Government can*
   7. *If the economy needs to slow down, the Government can*
2. *Spending:*
   1. *Types of spending*
      1. ***Mandatory spending*** *is*
         1. *Examples*
      2. ***Discretionary spending*** *is*
         1. *Examples*
   2. *If the economy needs a boost, the government can*
   3. *If the economy needs to slow down, the Government can*