***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*