## STUDY FOR WEEKS 13 AND 14 REFFONOMICS.COM QUIZ

Here are some topics which will show up on your exam:

- Monetary policy tools the FED maintained and eliminated in 2020.
- Definitions of Progressive, Regressive and Proportional taxes and the specific tax rate to income level ratios which serve to explain each.
- Definitions of Mandatory and Discretionary spending and which budget items/expenditures apply to each.
- The 1977 Federal Reserve Reform Act and the "Dual Mandate." What is it and what economic conditions was it mainly designed to impact?
- With OLD monetary policy, what happened when the money supply was increased and what happened when the money supply decreased/
- Definition of excise taxes and review the goods to which they apply.
- The Tax Multiplier Formula and which is the more important aspect of the formula; the Marginal Propensity to Consume, or the Marginal Propensity to Save?
- The targeted rate of the Federal Reserve as it applies to commercial banks' lending policy and the term for the type of rate which applies.
- The definitions and statistics which define and explain Budget Surpluses, and Budget Shortages and how these terms differ from the "Total US National Debt."
- Expansionary fiscal policy during a recession as it applies to aggregate Demand.
- The pie charts for the main government expenditures (including Mandatory and Discretionary items) as percentages of the total budget. Note Defense spending specifically.
- How the Multiplier Effect influences a government's demand-side efforts to solve an inflationary gap.