Name:

20 points

Chapter 4 pages 80-103

Due 9/21

1. What does the DMV example tell us about the problems with a government monopoly? 81-82
2. What are the two broader lessons to be learned about the government role in the economy? 82-83
3. What are the lessons to be learned from the Soviet system? (a fully communist government) 85-86
4. How does politics corrupt the process of government intervening in the economy? 86-87
5. Describe the two international examples of poorly designed regulation. 88-89
6. What is the “fiscal drag” and what two impacts does it have on the economy (94)
7. What is a “deadweight loss”? How does taxation fall into this definition? (94)
8. What kinds of things are discouraged by taxation? (95-96)
9. What is “supply-side economics”? (97)
10. What are the basic ideas about government in the author’s summary? Explain each. You should be crystal clear on these points. (101-103)