

Discuss the consequences of inflation, deflation or unemployment in a particular country.

Use real life examples of inflation, deflation or unemployment situation and the government fiscal or monetary policies choices.

Define inflation, deflation or

unemployment. Relate the problem to

**1. Current economic development of a
country**

**2. The causes of present economic
situation**

What macro policies the government adopted ?

Fiscal policy: government expenditure, transfer payments, government investments, taxes

Monetary Policy: reserve ratio, open market operation, discount rates

**Was the government using
expansionary or contractionary policies,
or combination of both?**

**The policies were adopted under what
situations. How the two policies are
combined to stabilize the economy.**

When encountering contraction, expansion or unemployment situation, what should be the fiscal and monetary policies ?

Try to include issues like consumption, production, investment, price indices, industry performance, interest rate, exchange rates, housing prices, financial markets, unemployment rate, inflation rate etc, when analyse economic situations.