

- 1.Explain the Deficit Reduction Act of 1993. What has been the result of this action? Did former President Bush manage to achieve a “surplus budget”, “deficit budget” or “balanced budget”? Is this being carried economic philosophy being carried forward into the current Obama Administration?**
- 2.What are the primary differences between the Keynesians and the Monetarists when it comes to economic philosophy? Name one noted economist in each School. Which do you support and why?**
- 3.State and explain the basic equation of monetarism. What is the major cause of macroeconomic instability, as viewed by monetarists.**
- 4.What is meant by the “balance of payments”. Why does the United States constantly have a “Trade Deficit”? Do these trade deficits increase or decrease our living standards? Please defend your answer.**
- 5.What are the economic functions of the International Monetary Fund and the World Bank? Please compare and contrast.**
- 6.What is a monetary devaluation? Has the United States ever devalued the U.S. dollar? If so why was it necessary? Did it solve the problem? Please be specific in your answer.**
- 7.Why is the “*gap*” between Developed Countries and Less Developed Countries getting wider. What can be done to reduce the “*gap*”? Explain the concept of the**

**“brain drain”. Explain the economic concept of “capital flight”.**

**8.Are you an advocate of “Protectionism” or “Free Trade”? Support your position with economic examples. How can the U.S. compete with countries who have significant amounts of “cheap labor” – say China?**

**9.What factors have contributed to increased income inequality in the United States since 1975?**

**10.What does the Lorenz Curve really show? What are the primary causes of income equality? Is this trend likely to continue? What can be done to reverse this trend?**

**11.Clearly differentiate between President Obama’s and former President Bush’s domestic economic policies.**

**12. Based on your understanding of economics was the U.S. Government justified in bailing out General Motor’s Corporation and Chrysler Corporation? Please be specific in your answer.**

**13.What were the chief causes in the decline of the housing market? Did the government pursue the correct action to solve this crisis? Please be specific.**

**14.What were the primary for the extensive banking failures? Did the U.S. Government pursue the correct economic action by bailing out the U.S. banking industry? Why or why not.**

**15.In your opinion should President Obama devalue the U. S. Dollar against the British Pound, Euro and Yen to strengthen the U.S. Dollar? Please be specific in your answer and justifications.**

**16. What can President Obama's Administration do to increase domestic employment? Please be specific in your answer.**

**17. What are the chief causes for the decline of the mid-middle class? What can the U.S. Government do to prevent a two-class society, the "have's" and the "have not's".**

**18. What are the economic pro's and con's of Mr. Obama's Health Care Administration Bill? Will this economic program lead to more socialization of the U.S. economy? Why or why not? Do you support this Bill?**

**19. It looks like the United States and China are heading into a trade war. How can the United States and China reconcile their economic differences? Based on your understanding what are their primary differences?**

**20. What U.S. Government Agency controls the setting of Margin Requirements in trading of U.S. Securities? What is the Margin Requirement on Stocks? What was it in 1929? If you purchased 1000 shares of Microsoft stock at \$25.00 per share, what would be cost to you if you had a Margin Account"?**

**21. Clearly different between the economic agenda of GATT (General Agreement on Tariff and Trade) and the WTO (World Trade Organization). How will the agenda of the WTO affect the health of the United States economy? How does the NOW (New World Order) fit into this?**

**22. Name and explain at least four leading and lagging economic indicators that are used by economists to predict the direction of the U.S. economy? In what phase of the business cycle is the U. S. economy?**