**NAME: HOUR: GRADE:**

**Economics Video Questions**

***Week of April 27th***

**Episode 8 – Fiscal Policy and Stimulus**

1. What is the difference between a recessionary gap and an inflationary gap?
2. What were some examples of individual/personal effects of high unemployment?
3. What do BOTH an expansionary and contractionary fiscal policy do to government spending and taxes? What type of gap does each one aim to resolve?
4. What did John Maynard Keynes argue and what is deficit spending?
5. What was the difference between the 2009 American Recovery and Reinvestment Act (Stimulus) and the European practice of austerity?
6. Explain how the multiplier effect works, using examples?

**Episode 9 – Deficits and Debts**

1. What is the difference between deficit and debt?
2. Who are the biggest recipients of federal dollars and for what programs?
3. Explain the example of Greece and the problems with borrowing that existed there.
4. What is the debt ceiling?
5. What are some of the benefits for the U.S. with the debt ceiling?
6. This video was filmed in 2015, but what do you think about the reference to health care costs and a worldwide pandemic in light of the coronavirus outbreak?

**Episode 10 – What’s All the Yellen About? Monetary Policy and the Federal Reserve**

1. What are the two main duties/responsibilities of the Federal Reserve (the Fed)?
2. The Fed manipulates the money supply in order to affect what?
3. What do BOTH less money and more money result in with respect to interest rates and what is the purpose of each?
4. What are the two things that keep the banking system healthy and how did the Fed fail in addressing both of those areas fully during the early part of the Great Depression?
5. What are the three things that a central bank can do to change the money supply?
6. What are some of the reasons that the inflation rate has stayed so low despite the Fed increasing the money supply steadily since 2008?