

CONTENTS

UNIT 1. GOVERNMENT.....	6
Types of government	7
Roles of government.....	8
Branches of government.....	10
UNIT 2. GOVERNMENT REVENUE AND SPENDING	15
Principles and criteria of taxation	15
Tax bases and structures	17
Impact of taxes on the economy.....	18
Types of taxes	20
Tax avoidance versus tax evasion	21
PROJECT 1.....	29
UNIT 3. BUSINESS CYCLE	32
What is GDP?.....	33
Stages of the business cycle	35
Aggregate demand and supply.....	35
Why do business cycles occur?	37
Predicting business cycles	39
Theories of business cycles	42
UNIT 4. GOVERNMENT FISCAL POLICY.....	51
Fiscal policy tools	52
Types of fiscal policy.	53
Effects of fiscal policy on the economy.	55
Limitation of fiscal policy.....	55
Deficits and the national debt.....	59
PROJECT 2	62
UNIT 5. GOVERNMENT MONETARY POLICY.....	62
Duties of a central bank	63
Approaches to monetary policy.	64
Impacts and limitation of monetary policy.....	66
Monetarism	67
PROJECT 3	72
<i>Appendix 1: Supplementary tasks</i>	<i>75</i>
<i>Appendix 2: Supplementary reading</i>	<i>92</i>
<i>Appendix 3: Texts for rendering</i>	<i>98</i>
<i>Appendix 4: Language for business communication</i>	<i>109</i>
GLOSSARY OF TERMS	119
REFERENCES.....	126