Task 1.
If MPC=0.8 and the tax rate is t=0.2, what will be the expenditure multiplier?

Task 2.
We have the following equation: C=100+0.6YD, I=100, G=50. We assume two tax scenarios: lump sum tax T=50 and proportional tax t=0.2. For each of them, answer the following questions:
a) what is Y* and what is the value of the expenditure multiplier (α)?
b) By how much will Y increase if government spending increases by 20? What is the value of Y*?
c) by how much will Y increase if T decreases by 20 and t falls to 0.1? What will be the value of Y* then?

Task 3.
The following information is given: I=60, G=50, C=0.75YD, t=0.2Y. By how much will Y* increase if government spending increases by 22? How much will the state deficit be then?

Task 4.
If I=200, G=150, C=100+0.9YD, t=0.1Y, what is the equilibrium consumption?

Task 5.
If t=0.2Y, C=200+0.72Y (note that we have Y in the formula and not YD), I=600, G=300, what are Y and C at the equilibrium point? How and by how much will Y change if I decreases by 260? How much is the MPC?

Task 6.
If C=0.75YD, G=600, I=500, and t=0.2, what is the budget deficit in equilibrium conditions? At what level of income will the budget be balanced? How much should investments increase to reach this level?

Task 8.
If C=50+0.8YD, G=100, I=100, t=0.2, NX=200-0.2Y, what are Y* and the open economy multiplier?

Task 9.
If C=100+0.9Y_D, G=150, I=200, NX=50, t=0.1, what is the consumption at the equilibrium point?

Task 10.
If MPC=0.75, t=0.2, MPI=0.15, autonomous NX=150, autonomous consumption=50, I=500, G=650, what is the form of the aggregate expenditure function?

Task 11.
If C=0.85YD, G=400, I=300, T=20+0.2Y, NX=200-0.2Y, what is the equilibrium level of production? What is the value of the open economy multiplier? How much will production change if investments increase by 100?

Task 12.
If C=10+0.7YD, G=15, I=20, T=15+0.2Y, what will happen to the equilibrium level of output if taxes fall by 15? If budget expenditure increases by 15, by how much will Y change?

Task 13.
If the savings function has the following form: S=-200+0.25YD, t=0.1, G=300, I=150, what will C* be? By how much should government spending increase so that consumption at the equilibrium point increases by 50?

Task 14.
If C=200+0.9YD, G=300, I=600, t=0.2, what are Y* and C*? By how much should the tax rate change to maintain the same level of income and consumption if investment falls by 260?

Task 15.
If C=300+0.8YD, G=100, I=100, NX=100, and t=0.2, what is the product at equilibrium? What is the sum of outflows in the economy? What impact will an increase in the tax rate by 0.1 (t=0.3) have on the equilibrium level of output and consumption?

Task 16.

Explain theoretical issues:
a) Potential production and actual production.
b) What determines short-term equilibrium in Keynes' model - demand or supply?
c) What is the main difference between the short run and the long run in economics?
d) Definition of the multiplier.
e) The paradox of forethought.
f) Balanced budget multiplier.
g) What is the specificity of the structural budget?
h) Automatic stabilizers.
i) What are the limitations to the possibilities of pursuing an expansionary fiscal policy?
j) Laffer curve.