NAME:____ **DATE: 02/07A-08B/2018**

ASSIGNMENT: Fiscal Policy
DIRECTIONS: Fiscal Policy is the set of tools a government has at its disposal to improve economic outcomes. Fiscal Policy is set into two distinct groups:

*Discretionary: this involves choice -- legislative bodies choose to enact laws that promote economic outcomes
*Non-discretionary: these are automatic stabilizers to promote economic outcomes

1.) Congress passes a new law that increases the top tax bracket from 39.6% to 45%.
   i) Explain whether this move is discretionary or non-discretionary Fiscal Policy.
   ii) Explain the potential impact of this action with regard to the Laffer Curve.

2.) Mr. Rogers loses his job and needs to apply for unemployment assistance and SNAP funds for 6 months while he searches for a new job.
   i) Explain whether unemployment assistance is a form of discretionary or non-discretionary Fiscal Policy.
   ii) Explain the other effects Mr. Rogers' job loss has on governmental tax revenue and GDP.