

4 Government aims and policy – Part 1

Name: _____ Class: _____ Date: _____

Vocabulary 词汇

Write each word three times. 把每个单词抄写三遍。

English	中文	Write it 3 times (English)
economy	经济	_____
economic growth	经济增长	_____
low unemployment	低失业	_____
stable prices	物价稳定	_____
fiscal policy	财政政策	_____
tax	税收	_____
monetary policy	货币政策	_____
interest rates	利率	_____

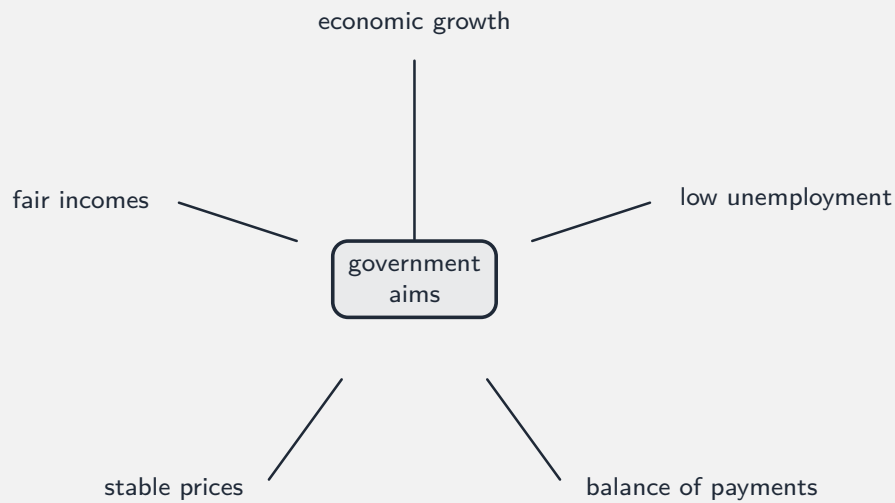
Recall

A government wants the **economy** 经济 to do well. It uses policies to reach its aims.

New ideas

Read these first, then do the Practice.

■ 1 Government aims



- **economic growth** 经济增长—the economy produces more;
- **low unemployment** 低失业—most people have jobs;
- **stable prices** 物价稳定—prices do not rise too fast.

■ 2 Two policies



- **fiscal policy** 财政政策 changes **tax** 税收 and government spending;
- **monetary policy** 货币政策 changes **interest rates** 利率.

Watch out: **fiscal** policy uses *tax and government spending*; **monetary** policy uses *interest rates* —keep them apart. A government's main aims are growth, low unemployment, stable prices and fair incomes.

Practice

Try these in order.

4.1 Name two aims of a government.

[2]

4.2 What is *economic growth*? [1]

4.3 What does fiscal policy change? [2]

4.4 What does monetary policy change? [1]

4.5 If the government raises interest rates, is that fiscal or monetary policy? [1]

4.6 Challenge. Classify each as fiscal or monetary policy: (a) cutting income tax, (b) raising interest rates, (c) increasing spending on hospitals. [3]