# Fiscal policy

↳ refers to a government's approach toward its own spending & taxation

1) At relative low levels of national income, what is usually occuring w/ the federal government's budget?

Net tax revenue is less than government spending & there is a budget deficit



2) Graphically, what will happen if net tax revenue (NTR) increase?

It will shift both the NTR line & the budget line up.

3) What usually result from a recession?

An increase in transper payment

A budget deficit

A decrease in tax revenue

4) National Debt

the sum of all federal government deficit minus its surpluses