

# Fiscal policy –Worksheet 1

## 1.1 Reading

### WHAT IS FISCAL POLICY?

It is a **set of economic instruments** which are used by the **government** to **regulate** the economic development. These **fiscal instruments** are used to regulate **inflation**, **recession** and **unemployment** and to try to slow down or stimulate **economic growth**.

### INSTRUMENTS OF FISCAL POLICY

- 1 **revenues** of the national budget  
– these are incomes from taxes and duties
- 2 **expenditure** of the budget (government expenditure)  
– payments for public goods, transfers (social programmes), interest on public debt, state administration, etc.
- 3 **taxes**
- 4 **transfers**
- 5 **borrowing** money

## 1.3 Translate.

- 1 rozpočtová politika .....
- 2 veřejné statky .....
- 3 půjčit si peníze .....
- 4 vydělat peníze .....
- 5 podnitit eko. růst .....
- 6 příjem .....
- 7 vládní výdaje .....
- 8 nezaměstnanost .....
- 9 rozvoj, vývoj .....
- 10 úrok .....

## 1.2 Vocabulary

- |                      |                        |
|----------------------|------------------------|
| 1 transfer           | a) rozpočtové nástroje |
| 2 taxes              | b) clo                 |
| 3 national budget    | c) veřejný dluh        |
| 4 revenue            | d) převod peněz        |
| 5 fiscal instruments | e) sociální dávky      |
| 6 inflation          | f) platba              |
| 7 public debt        | g) výdaje              |
| 8 expenditure        | h) národní rozpočet    |
| 9 education          | i) nárůst cen          |
| 10 social benefits   | j) státní příjem       |
| 11 duty              | k) vzdělávání          |
| 12 payment           | l) daně                |

- 1 ..... 2 ..... 3 ..... 4 ..... 5 ..... 6 ..... 7 ..... 8 .....  
9 ..... 10 ..... 11 ..... 12 .....

## 1.4 Choose the correct preposition.

- 1 these instruments are used **FOR** / **BY** the government
- 2 spend money **FOR** / **ON** public goods
- 3 the state borrows money **FROM** / **OF** a bank
- 4 people pay taxes **ON** / **FROM** alcohol
- 5 to gain money **BY** / **OF** means of fees
- 6 taxes are divided **ON** / **INTO** a number of sub-groups
- 7 revenue consists **OF** / **FROM** incomes from various taxes and duties
- 8 the state has to pay the interest **ON** / **INTO** public debt
- 9 fiscal policy focuses **INTO** / **ON** the national budget

## 1.5 Translate the sentences.

- 1 Vláda reguluje ekonomický vývoj prostřednictvím rozpočtových nástrojů.

.....

- 2 Vláda se pokouší povzbudit ekonomický růst.

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- 3 Příjem státního rozpočtu se především skládá z daní a cel.

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- 4 Vláda utrácí peníze za zboží a služby, které jsou prospěšné pro obyvatelstvo.

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- 5 Výdaji národního rozpočtu máme na mysli například platby za veřejné statky.

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## Fiscal policy – Worksheet 2

### 2.1 Reading

#### NATIONAL BUDGET

It is a written **document** showing the ways of managing the state revenue and government expenditure in the country. It is planned for a **year** by the **government**. The budget contains **planned expenditure** and potential **revenues** for the given year. The state of the budget can be either **positive** (with a **surplus**) or **negative** (with a **deficit**).

#### A BUDGET DIAGRAM

the revenue side	the expenditure side
<b>+ taxes</b>	- money used to <b>cover public goods</b>
<b>+ customs duties</b>	- <b>transfers</b> (social programmes and benefits)
<b>+ charges, fees</b>	- <b>interest on public debt</b>
	- <b>state administration</b> (state, president bureau)
	- <b>government purchases</b> (health care, education, army, police, culture, sport, etc.)

### 2.2 Find the words in the text.

- 1 vládní výdaje .....
- 2 přebytek .....
- 3 armáda .....
- 4 poplatek .....
- 5 zdravotní péče .....
- 6 předpokládaný příjem .....
- 7 cla .....
- 8 plánované výdaje .....
- 9 buď ... nebo .....
- 10 obsahovat .....
- 11 schodek .....
- 12 úrok .....
- 13 převody peněz .....
- 14 státní (veřejný) dluh .....
- 15 způsoby spravování .....

### 2.3 Choose the correct word.

- 1 The revenue side ..... taxes.  
a) divides      b) includes      c) refers to
- 2 If the expenditure ..... the revenue, there is a deficit.  
a) is lower than      b) is the same as      c) exceeds
- 3 Payments for the army ..... an important part of the expenditure side of the budget.  
a) show      b) cover      c) make
- 4 Some money ..... to run the president bureau.  
a) needs      b) is needed      c) are needed
- 5 The government must agree on the ..... budget plan.  
a) annual      b) per year      c) a year
- 6 The budget plan has to be prepared ..... show how the money will be spent.  
a) when      b) in order to      c) however

### 2.4 Cross the wrong word out.

- 1 taxes – duties – social benefits – fees
- 2 president bureau – education – army – health care
- 3 expenditure – revenue – discount – purchase
- 4 the unemployed – the disabled – mothers on maternity leave – the tax payers
- 5 charges – transfers – interest on public debt – government purchases

### 2.5 Translate the sentences.

- 1 Vláda je zodpovědná za každoroční naplánování státního rozpočtu.

- 2 Národní rozpočet se skládá z příjmů a výdajů.

- 3 Návrh národního rozpočtu ukazuje plánované výdaje a předpokládané příjmy.

## Fiscal policy –Worksheet 3

### 3.1 Reading

#### GOVERNMENT PURCHASES

It is the responsibility of the **government** to look after the citizens and **purchase** goods and services which **people need** in order to have a good standard of living, e.g.: public order, justice, education, protection of the country, health care, transport, state administration, public constructions, public services.

#### TRANSFERS

This is money which the government uses to **help** people **in need** (the poor, the unemployed, the old, the disabled). The government pays **pensions** and various types of **social benefits**.

#### PUBLIC DEBT

If the expenditure of the national budget is higher than the revenue, the government has to **borrow** money from either the **domestic** or **foreign banks**. Then the government is obliged to pay an interest on the borrowed money which extends the government expenditure furthermore.

### 3.2 Translate. Use the text.

- 1 sociální dávky .....
- 2 zodpovědnost .....
- 3 doprava .....
- 4 důchod, penze .....
- 5 půjčit si od n. ....
- 6 lidé v nouzi .....
- 7 životní úroveň .....
- 8 hendikepovaní lidé .....
- 9 starat se o .....
- 10 domácí banka .....
- 11 rozličný .....
- 12 zaplatit úrok na .....
- 13 navýšit výdaje .....
- 14 spravedlnost .....
- 15 veřejné služby .....

### 3.3 Divide the words in the right column.

state school

health insurance

railways

crèche

prisons

police officers

General Practitioner

law

teachers

airport

free of charge

medicine

education

the police

health care

public constructions

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### Now add more examples.

### 3.4 True or false?

- 1 State purchases contain goods and services which are necessary to provide the well-being of the government.
- 2 People with a serious health handicap are supported by the state by means of special benefits.
- 3 The public debt occurs when the revenue exceeds the expenditure.
- 4 The state does not provide money to purchase services of justice.
- 5 The retired people live on a special income paid by the state.