

12 Economics 18 Effectiveness & Limitations of Economic Policies

Quizlet

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1. economic equity	the situation in an economy in which the apportionment of resources or goods among the people is considered fair
2. economic growth	occurs when there is a sustained increase in a country's productive capacity over time; this is commonly measured by the percentage increase in real Gross Domestic Product
3. efficiency	refers to the economy's ability to shift resources between industries in response to changing pattern of consumer demand
4. fiscal policy	a macroeconomic policy that can influence resource allocation, redistribute income and reduce the fluctuations of the business cycle; its instruments include government spending and taxation and the budget outcome
5. G20 Group	the group of the world's 20 largest economies; it was formed in 1999 and has played an increasingly important role in addressing the reform of the global financial system and macroeconomic coordination; it incorporates the G8 economies plus the European Nation, Argentina, Australia, Brazil, China, India, Indonesia, Mexico, Saudi Arabia, South Africa, South Korea and Turkey
6. Group of Eight (G8)	the seven largest industrialised countries (plus Russia) who meet annually to discuss economic and political issues and wield tremendous influence over the global economy over the global economy; its other members are the US, UK, France, Germany, Italy, Canada, and Japan
7. international business cycle	the fluctuations in the level of economic activity in the global economy over time
8. macroeconomic policies	policies that effect the economy as a whole with the aim of minimising fluctuations in the business cycle; also referred too as demand management or counter cyclical policies
9. special interest groups	a group of people or an organization seeking or receiving special advantages, typically through political lobbying
10. World Trade Organisation	an organisation of 161 member countries that implements and advances global trade agreements and resolves trade disputes between nations