

Unit 5 Role of Government and Money and Banking notes guide

Public Goods-

Nonrivalry-

Non-excludability-

Free rider problem-

Examples-

Private goods-

Rival in consumption-

Excludable-

Common resources-

Merit and demerit goods-

Negative Externalities-

Marginal private cost-

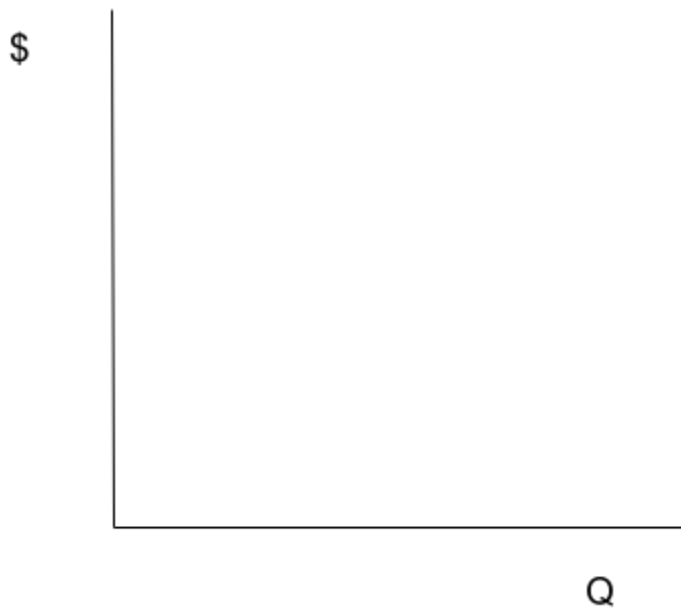
Marginal social cost-

Gov't role-

Pigouvian Taxes-

Tradable emissions permits-

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Positive Externalities-

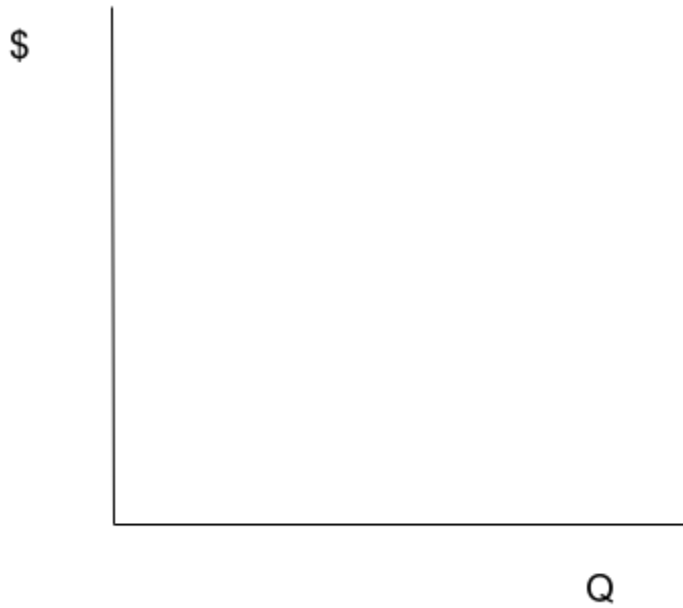
Marginal private benefit-

Marginal social benefit-

Gov't role-

Pigouvian subsidies-

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Coase Theorem-

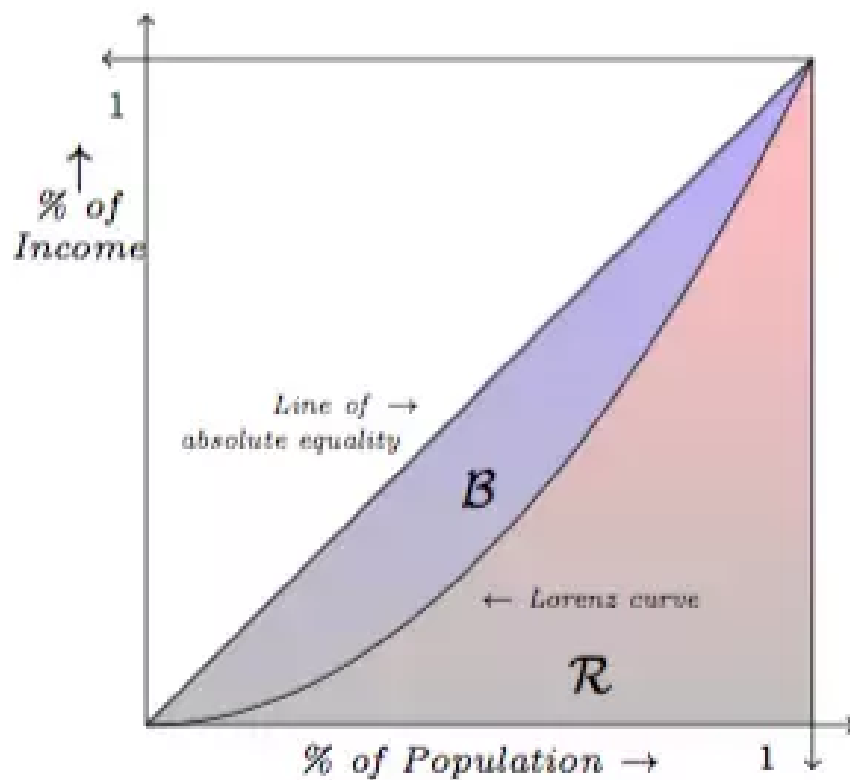
Income inequality and Income distribution-

Poverty threshold-

Poverty rate-

Gini coefficient-

Lorenz Curve-



$$\text{Gini Coefficient, } G = \frac{\text{Ar}(\mathcal{B})}{\text{Ar}(\mathcal{R}) + \text{Ar}(\mathcal{B})}$$

Public Choice Theory-

Rational ignorance-

Adverse selection-

Lemon laws-

Moral hazard-

Taxes:

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Benefits received-

Ability to pay-

Types of taxes:

Income

Sales-

Property-

Estate-

Excise-

Tax Systems:

Proportional-

Progressive-

Regressive-

Federal Taxes-

Withholding taxes-

FICA-

W4-

W2-

Federal Expenditures-

Mandatory-

Discretionary-

Entitlements-