**ECONOMIC TERMS TEST**

1. Why can inflation be a problem for ordinary people?
2. Why does printing money make it worse?
3. What is deflation?
4. Give one example of a deflationary policy.
5. What is deficit financing?
6. What does reflationary policy mean?
7. What is a budget deficit?
8. In what circumstances is it not a problem?
9. What is a balance of trade or balance of payments deficit?
10. What is Gross National Product (GNP)?
11. What is National Income?
12. What are real wages?
13. What is the difference between direct & indirect taxes?
14. What is meant by indirect taxes being more regressive than direct taxes?
15. What are tariffs?
16. In terms of trade policy, what does protection mean?