

## Topic: Macro-Economic Objectives

Q1

The ultimate objective of economic policy is to improve the economic welfare for all the population and as such there are four principal objectives of government macroeconomic policy. In the box below fill out the remaining key macro-economic objectives taking care to be precise with language. I have done the first one for you!

Objective	Detail
Full employment	...or low unemployment

Q2

However, governments may also have other objectives either on a permanent basis or dependent on the state of the economy. Fill in the gaps using the words below:

*“Since 2010, one of George Osborne’s key targets has been to reduce the .....which had reached around 10% of ..... in the ‘great recession’. Current estimates suggest that by the end of the parliament, the UK will be able to run a small.....which will help to reduce the.....There has been much debate as to whether he has been able to do without increasing ..... . Another major aim which seems to have taken a back seat in recent years is ..... .”*

Choose from: **energy sustainability, national debt, budget surplus, GDP, budget deficit, inequality**

Q3

True or false?

The only major macro objective with a target is inflation	
The government is investing heavily to create a ‘Northern Powerhouse’	
The UK runs a balance of payments surplus which is good news for the UK economy	
Unemployment of 0% is key aim macro-economic aim of the government	
The UK is able to grow at 10% per year without the likelihood of significant inflation	

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Q4

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Some objectives conflict. Copy your answers from Q1 into the boxes with a \* in them below (The first one is done for you again) and then draw a line between the objective in the left hand column and the relevant conflict in the right hand column.

Objective	Conflict
Full employment	If it is too fast, it can cause inflation leading to recession
*	If unemployment goes too low then wages can rise causing inflation
*	The UK is very uncompetitive for a number of reasons
*	Meeting this target may choke off growth

Q5

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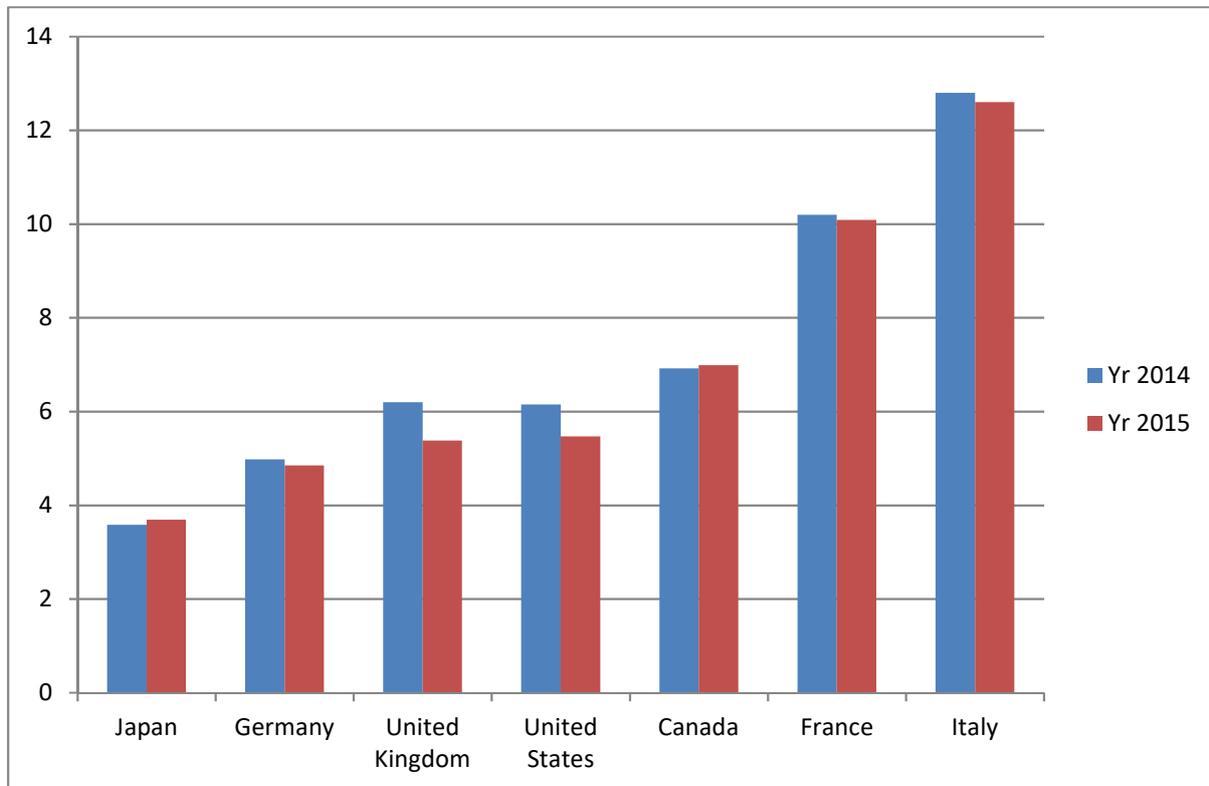
Using your phone, tablet, PC, general knowledge or in discussion with someone in class, write three reasons in the table below regarding the ways in which you think that the UK recovery is not as **balanced** as it could be

Reason 1 :	
Reason 2:	
Reason 3:	

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Q6

The table below shows the levels of unemployment as a percentage of the labour force for each of the G7 nations (2014 and 2015)



Source: IMF

What are the median rates of unemployment among the G7 nations for 2014 and 2015?