



Using taxes to manage the economy

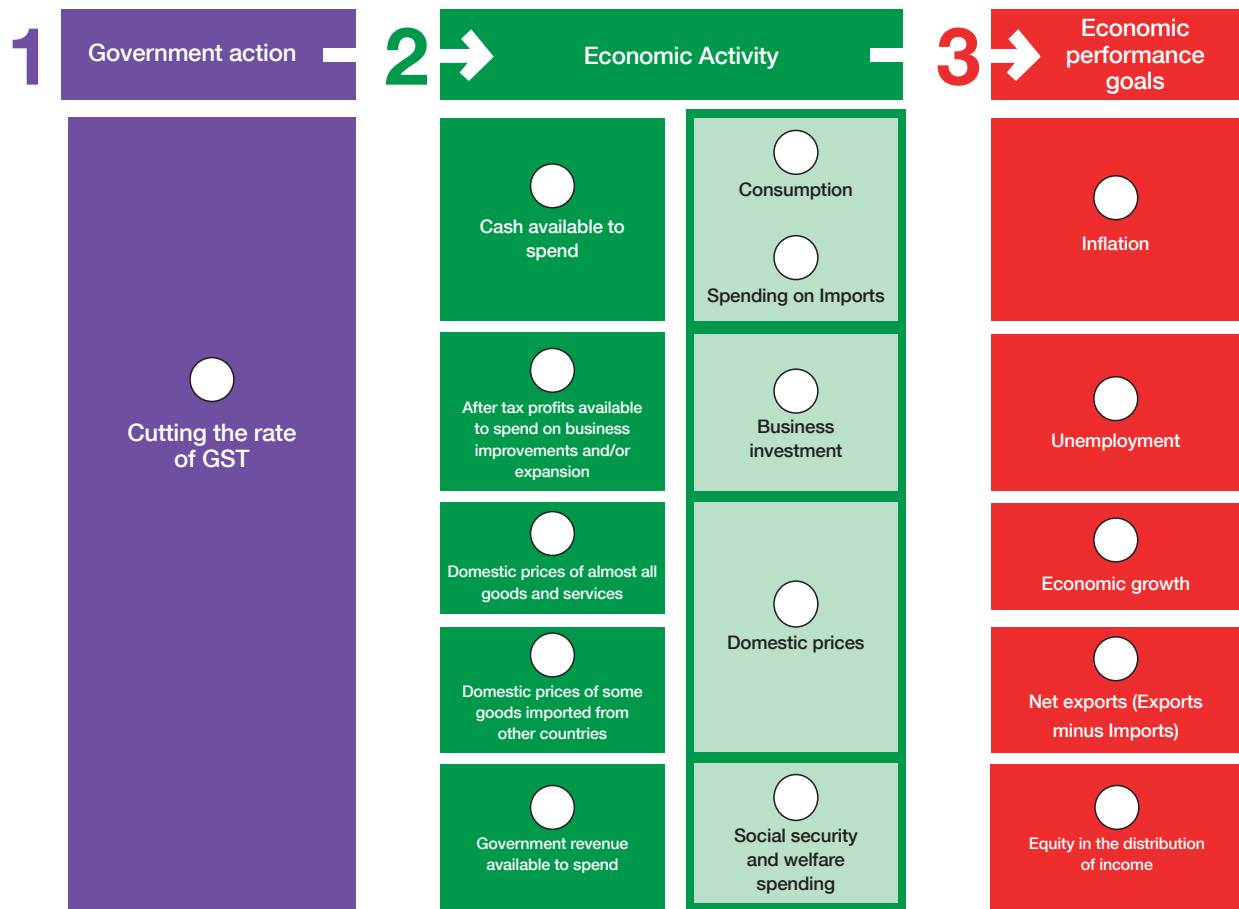


How do tax increases and decreases affect economic activity and macroeconomic goals?

- Use an upward arrow ↑ to indicate an increase or a downward arrow ↓ to indicate a decrease or a cross ✕ to indicate no effect for each economic variable.

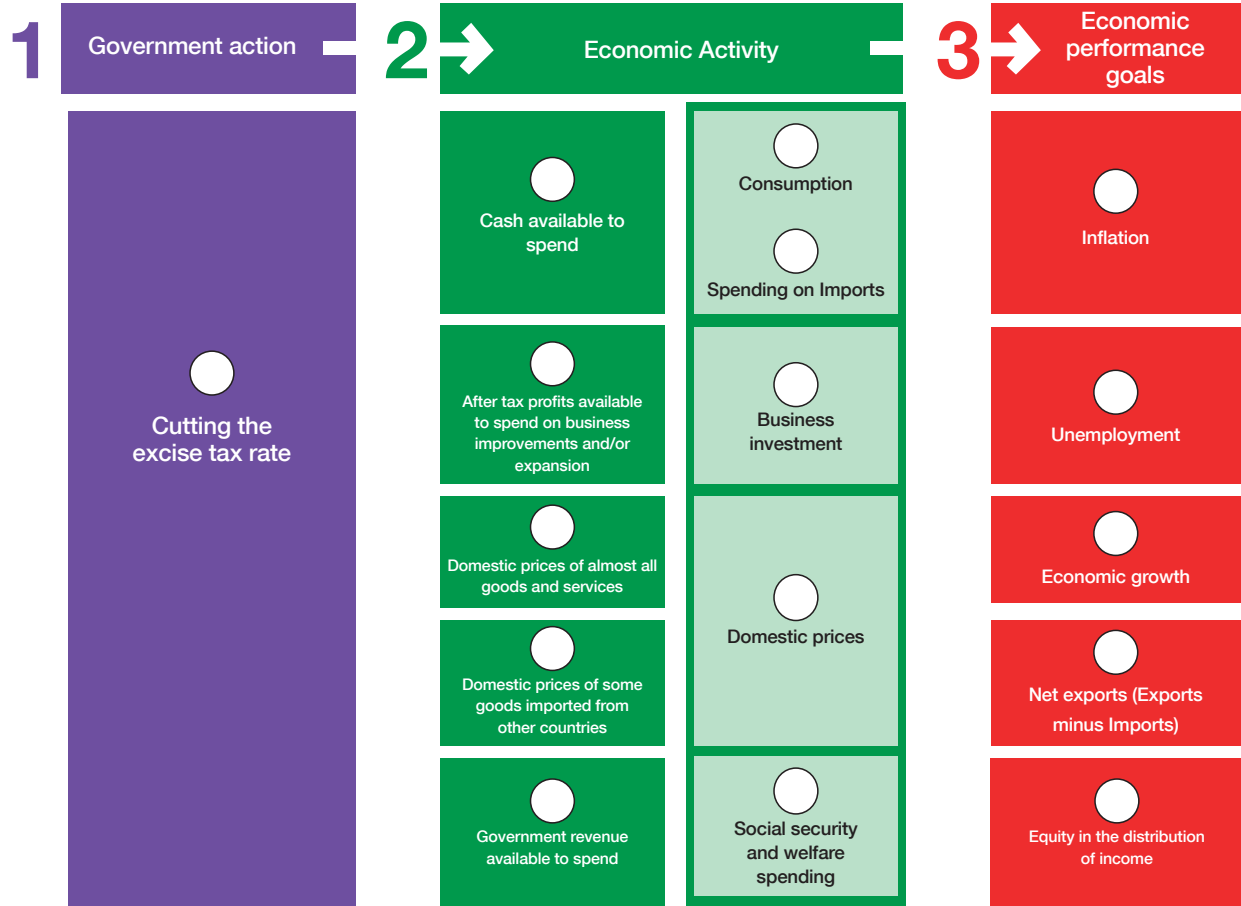
Use the diagrams that follow to indicate the impact of cutting the rate of each of 4 different taxes: the GST, customs duty, excise duty, and company income tax.

Using the GST to manage the economy



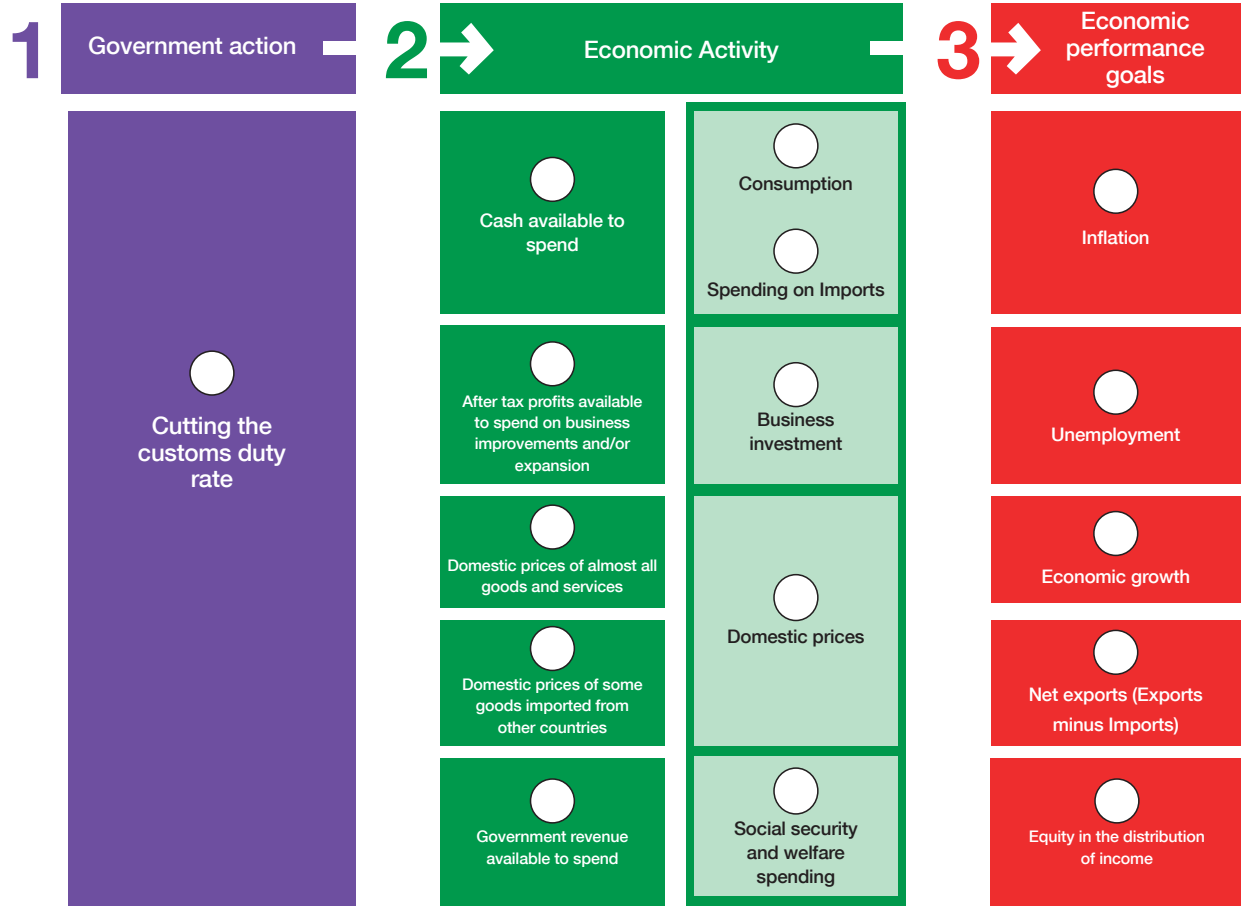


Using the excise tax to manage the economy





Using customs duty to manage the economy





Using company tax to manage the economy

