ECONOMICS	Budget Surplus or Deficit	$\text{Budget Surplus or Deficit} = G - T + B$	G – Government spending T – Taxes B – Payment of transfer of benefits
	Disposable Income (YD)	$YD = Y - NT = (1 - t)Y$	Y – National income or output NT – Net taxes t – Net tax rate
	Fiscal Multiplier	$\text{Fiscal Multiplier} = \frac{1}{1 - MPC(1 - t)}$	MPC – Marginal Propensity to Consume t – Net tax rate
	Marginal Propensity to save (MPS)	$MPS = 1 - MPC$	MPC – Marginal Propensity to Consume
	Real Exchange Rate	$\text{Real Exchange Rate}_{d/f} = S_{d/f} \times \left(\frac{P_f}{P_d}\right)$	P_f – Foreign price level quoted in terms of the foreign currency P_D – Domestic price level quoted in terms of the domestic currency $S_{d/f}$ – Spot exchange rate quoted in terms of the number of units of domestic currency per one unit of foreign

			currency
	Percentage Change in Real Exchange Rate	$\left(1+\frac{\Delta S_{d/f}}{S_{d/f}}\right)\times\frac{\left(1+\frac{\Delta P_f}{P_f}\right)}{\left(1+\frac{\Delta P_d}{P_d}\right)}$	ΔP_f – Change in foreign price level quoted in terms of the foreign currency ΔP_D – Change in domestic price level quoted in terms of the domestic currency $\Delta S_{d/f}$ – Change in spot exchange rate quoted in terms of the number of units of domestic currency per one unit of foreign currency
	Relationship between trade balance and expenditure/savings	$(S-I)=(G-T)+(X-M)$	$S-I$ – Excess of private saving over domestic investment $(G-T)$ – Fiscal Balance $(X-M)$ – Trade Balance
	Cross Rates	$\frac{X}{Y}\times\frac{Y}{Z}=\frac{X}{Z}$	X, Y, Z – Variables representing nominal exchange rates

	Forward Rate ($F_{f/d}$)Calculation	$F_{f/d} = S_{f/d} \times \left(\frac{1 + r_f}{1 + r_d}\right)$	$F_{f/d}$ – Forward rate $S_{f/d}$ – Spot rate i_f – Foreign interest rate i_d – Domestic interest rate
	Forward Rate ($F_{f/d}$) Calculation incorporating fractional period (τ)	$F_{f/d} = S_{f/d} \times \left(\frac{1 + r_f\tau}{1 + r_d\tau}\right)$	τ – Investment horizon $F_{f/d}$ – Forward rate $S_{f/d}$ – Spot rate i_f – Foreign interest rate i_d – Domestic interest rate
	Forward Discount or Premiums	$F_{f/d} - S_{f/d} = \times \left(\frac{r_f - r_d}{1 + r_d\tau}\right)\tau$	τ – Investment horizon $F_{f/d}$ – Forward rate $S_{f/d}$ – Spot rate i_f – Foreign interest rate i_d – Domestic interest rate