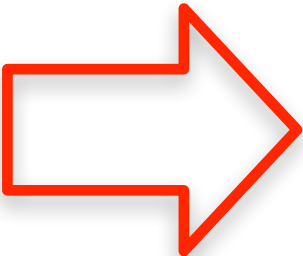




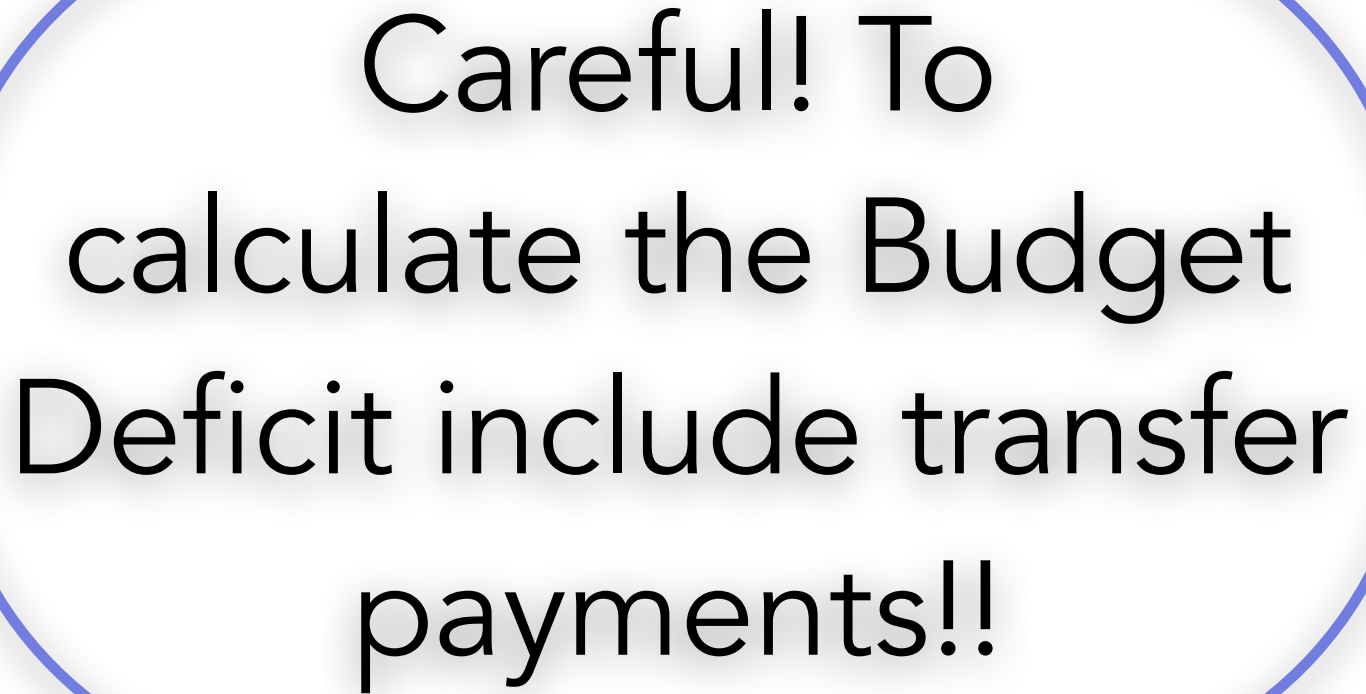
Government Budget Deficit/Surplus

If Spending + Transfers > Tax revenue

The Government  
has a Budget  
Deficit



If Tax Revenue  $>$  Spending + Transfers  The Government  
has a Budget  
Surplus



Careful! To  
calculate the Budget  
Deficit include transfer  
payments!!

Deficit/Surplus = Government Spending + Transfers - Tax Revenue



# Government Budget Deficit/Surplus

If **Spending + Transfers** > Tax revenue  The Government has a Budget **Deficit**

Careful! To calculate the Budget Deficit include transfer payments!!

If **Tax Revenue** > Spending + Transfers  The Government has a Budget **Surplus**

Deficit/Surplus = **Government Spending + Transfers** - **Tax Revenue**

# Fiscal Deficit

