

**Problem Set 1**

**QUESTION 1:**

As you go about your normal activities one day, record all the public services you use and benefit from. Compile this inventory and then rank how rivalrous they are on a scale of 1-5 (5 being non-rivalrous) and how excludable these services are on a scale of 1-5 (5 being non-excludable). Explain your reasoning for your ranking and the factors it depends upon.

Think hard and creatively – you should have at least 10 items on the list. (10 points)

Please use the following format:

#	Service	Rivalrousness	reasoning	Excludability	reasoning
1					
2					
3					

**QUESTION 2:**

1) Looking at the figures for Thailand in the Supplement to the GFS Yearbook (pp. 69-71), and assuming data coverage was comparable for the three years, what can you say about the revenue streams of the central government versus local governments. (3 points)

2) Thailand experienced some of the worst of the 1998 Asian Currency crisis. Discuss their fiscal situation in light of this fact and the changes in government expenditure patterns. (4 points)

3) Calculate and discuss at least 6 indicators of fiscal health that were discussed in class for Thailand's. (note: this does not mean reciting numbers off of the tables. And remember, trends in indicators are as important to examine as well as level numbers). (6 points)

Helpful information:

	<u>GDP (in current prices)</u>	<u>Population</u>
1999	4632.1 billion Baht	60.61 million
2000	4904.7 billion Baht	61.67 million

**DUE DATE: Session 7, BEFORE class.**