**Economics 4.5.2**

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| Explain the following: |
| Progressive Taxes |  |
| Proportional Taxes |  |
| Regressive Taxes |  |
| Explain the impact of changes in tax policy upon the following – use a diagram if you can |
| Incentives to Work | Income distribution | Tax Revenue (Laffer curve) |
| Real Output and Employment (AS/AD) | Price Level | Trade Balance and FDI |