

Case Study Analysis

Read the scenario and answer the question.

Scenario: Country A is facing a severe flood that has destroyed major highways and farms. The government's tax revenue is low because businesses are closed. The government decides to borrow money to fix the roads and provide "relief funds" to citizens.

Question: Which two "Importances of Public Debt" (from the 10 points discussed) apply to this scenario? Explain why.

[illegible]