

Volume 30, Issue 4**Research Announcement****The trend of fiscal policies in pakistan's economy: a descriptive analysis**

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Recognizing the importance of sound fiscal policy, the present study analyses the link between fiscal policy and macroeconomic activities for Pakistan's economy for the period 1972 – 2008. The study also examines the effectiveness of fiscal policy under different political regimes. Moreover, this study briefly reviews the government expenditures, tax revenues and sources of financing the budget deficit. After the brief investigation of the structure of Pakistan economy, this study concludes that the effects of budget deficit on macroeconomic activities are different in Pakistan from other lagging economies. The response of current account balance and private consumption to rising budget deficit is also not in accordance with neoclassical views. In case of Pakistan, increase in government expenditures lead to an increase in the level of private consumption. The diverse nature of Pakistan's political regime may have attributed to the dynamics in fiscal policy.

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