To Conclude

We have now covered, in whole or in part, the following chapters of Gordon (6th ed.):

1. What is macroeconomics?
2. Measurement of income, prices, and unemployment
3. Spending: the interest rate and the IS curve
4. Money, the IS-LM model, and policy options
5. Government budget and policy in an open economy
6. Aggregate demand and aggregate supply
7. New classical macro
8. New Keynesian explanations
9. Inflation: its causes and cures
12. Economic growth and productivity

You might also read (as follow-up):

11. Unemployment
14. International adjustment
19. Where we stand

The final exam:

- is open book, and will allow you a choice of questions
- will cover material from the ten chapters listed above
- will include questions from the Gordon (6th ed.) end-of-chapters questions (i.e. will test your understanding and knowledge about the subject)
- will require answering five questions in the six areas: Chapters 1–2, 3–5, 6, 7–8, 9, 12.
- Assignment 2 back by Monday
Unsettled Issues

- how can productivity growth be increased?
- should we go for zero inflation?
- how can we reduce unemployment to the levels of the ’60s?
- rules v. activism (Chapter 16)
- the twin deficits: government and foreign
- why do growth rates differ across countries?

Go and read the newspapers, and know what you know, and know what you don’t know.