

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.**