

Macroeconomics A, EI056

Quizz

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1 General equilibrium in IS-TR

Question: The insight of the IS-TR model is the interaction between different markets. Explain how this work

2 From IS-TR to aggregate demand

Question: Explain how we can go from IS-TR to AD.

3 Different horizons

Question: In the AS-AD setting we distinguish between the short run and long run aggregate supply. What is the difference?

4 Dealing with supply shocks

Question: Consider a permanent shift of AS to a lower output, because of reduced productivity. Can the government limit the impact on output? If so, what does this require, and what is the cost of the policy?

5 Lucas critique

Question: What is the Lucas critique?