Final Overview

- ▶ 1 hour and 50 minutes. It is cumulative.
- Post-midterm#2 material...
 - 8 multiple choice. 2 long-form questions.
 - Note: There are many concepts from the previous modules that carry over and are applied in this module.
- ▶ Pre-midterm #2 material...
 - Four multiple choice. It will ask about general principals you should understand.
 - One long-form question. It will be on short-run model (Chap 3, Mankiw) and/or long-run growth. It may connect with post-midterm #2 concepts.
 - How to prepare for this? Focus on (i) stuff discussed in class (ii) in class handouts (iii) questions on previous midterm/practice midterm.

Things We Have Covered

- Money
 - Money creation by the fed; its interactions with banks; money multiplier.
 - Chapter 4 Mankiw
- Inflation
 - Key issue here is quantity theory. This is our aggregate demand curve.
 Winners and losers from inflation. Hyperinflations.
 - Chapter 5 Mankiw

Things We Have Covered

- AD/AS
 - Aggregate demand and how money affects aggregate demand.
 - Short-and long-run aggregate supply. How the economy changes to push everything back to a long-run equilibrium.
 - Connection of short-run equilibrium with booms and recessions; periods of high or low unemployment via Okun's law.
 - Chapter 10.
- ► Monetary policy in AD/AS
 - How the FED/ECB should respond to various shocks (demand and supply).
 The mechanics behind the response (i.e. how money supply changes, interest rates change, etc.)
 - The Taylor rule.
 - Chapter 10, Taylor rule notes. In class handouts.

Details

- Location: 206 Silver Center for Arts & Science, 100 Washington Sq East.
 Will post details on course website.
- ▶ Start: Friday, May 11th \approx 8:00 AM, so be on time!
- It will take 110 minutes.
- You can use one sheet of notes: letter paper, both sides, any size type you like
- You may also use a calculator, but may not use any device capable of wireless transmission. Proximity to any such device during the exam will be treated as a violation of the honor code.
- When time is up, time is up. Please be respectful of your classmates and myself and hand in the exam when asked.

Final Word

THANK YOU FOR A GREAT SEMESTER!!!