Illustrate graphically and explain the Ricardian Equivalence proposition and the associated size of the government spending multiplier in the two-period model when government spending rises from zero. In comparison, explain the impact of a rise in government spending in the Blanchard IS-LM-PC model with endogenous money starting at $Y = Y_n$ when the central bank does and does not respond to the change in government spending. Briefly explain why it is difficult to empirically estimate the size of the government spending multiplier due to the problems of endogeneity due to simultaneity. Discuss which theoretical model is most consistent with empirical estimates of the government spending multiplier.