**Review Questions Macroeconomics**

From the presentations of BIM WS 2015/16

# The Roots of Modern Macroeconomics

## Name two Classical Approaches to fight Unemployment!

## What is the role of the Government in Keynes Approach!

## Explain the Multiplier Effect briefly!

## Why is a Minimum Wage rather obstructive to bring many Young European Citizens into Jobs?

# Short-run Macroeconomic Equilibrium

## Name at least three measures of the German Stimulus Packages during the financial crisis.

## According to Keynes, how should market outcomes be influenced by the government?

## What are the two ways of finding Equilibrium National Income?

## Do you think Keynesian mechanisms were the right choice to fight the economic recession during the financial crisis?

# Money and Interest Rates

## Name two advantages of digital money!

## What is your opinion about replacing all the cash with digital money?

## ~~Do you think there are other possibilities for the central bank to decrease the high cash demand after losing the trust in the banks?~~

## What is your opinion about what money´s value is built on?

## Why could the Minimum Reserve be seen controversial in macroeconomic terms?

## What could be a potential advantage of a relatively high Minimum Reserve?

## ~~What is the purpose of the Liquidity Coverage Ratio (LCR) and what challenges might banks face, adopting the new regulations?~~

# ~~The Relationship between the Money and Goods Markets~~

## ~~What characterizes a hyperinflation?~~

## ~~Who gains from an inflation?~~

## ~~Name two reasons that cause an inflation~~

# Fiscal and Monetary Policy

## Name 2 examples of monetary policy

## Explain one disadvantage and one advantage for a currency with low value compared to others (e.g. “new drachma”)

## ~~What was one of the main problems with the bank recapitalization?~~

## ~~From a macroeconomic point of view, are the support packages really supporting the economy of Greece?~~

# ~~Aggregate Supply, Unemployment and Inflation~~

## Keynesians tend to be supply-side oriented and classical Monetarists are demand-side oriented? Correct or not and why?

## ~~Which type of inflation do we have in an economic boom and why?~~

## ~~Could there be a problem if we want to reflect the reality with theoretical models?~~

## ~~List three reasons for the stable current inflation~~

## ~~Why is the traditional short-run Phillips Curve not applicable anymore? Name three important factors of how economy changed in the last 3 years.~~

## ~~What has been the problem of the modified Phillips Curve (Samuelson and Solow)?~~

# ~~Long-term Economic Growth~~

## ~~What are the assumptions of the Solow Growth Model? Name two of them.~~

## ~~What are economies trying to do, to increase fast growth?~~

## ~~What are the negative side effects of economic growth?~~

## ~~Which level limits the infinite rise of the capital stock? – Explain!~~

## ~~Explain: How do investment and capital stock react when there is technological progress?~~

## ~~What could be the result of state-owned businesses and state-controlled investment opportunities?~~

# ~~Supply-side Policies~~

*~~(no presentation)~~*

# ~~International Trade~~

## ~~What are the two components of the law of comparative advantage?~~

## ~~What is the formula for terms of trade?~~

## ~~Name three positive arguments for the fair trade plant workers~~

## ~~Mention and describe one objective of free trade:~~

## ~~What kind of negative influences could free trade have?~~

## ~~Mention the advantages and disadvantages of the trade diversion:~~

# ~~The Balance of Payments and Exchange Rates~~

# ~~Global and Regional Interdependence~~

# ~~Economic Problems of Developing Countries~~

~~9~~~~th~~ ~~December~~