

ECON 3010
Intermediate Macroeconomics

Epilogue

The Four Most Important Lessons

- 1) In the long run, a country's capacity to produce goods and services determines the standard of living of its citizens.

The Four Most Important Lessons

- 2) In the short run, aggregate demand influences the amount of goods and services that a country produces.

The Four Most Important Lessons

- 3) In the long run, the rate of money growth determines the rate of inflation, but does not affect unemployment.

The Four Most Important Lessons

- 4) In the short run, fiscal and monetary policymakers face a tradeoff between inflation and unemployment.

The Four Most Important Unresolved Questions

- 1) How should policymakers try to promote growth in the economy's natural level of output?

The Four Most Important Unresolved Questions

- 2) Should policymakers try to stabilize the economy?
If so, how?

The Four Most Important Unresolved Questions

- 3) How costly is inflation, and how costly is reducing inflation?

The Four Most Important Unresolved Questions

- 4) How big a problem are government budget deficits?