

1. The population of the U.S. is about \_\_\_\_\_.
2. It is about \_\_\_\_\_ miles to the sun.
3. The lowest point in the continental U.S. is \_\_\_\_\_.

Answer four (4) of the following six (6) questions:

1. Compare and contrast the role of money in a classical model and a Keynesian model.
2. What is meant by the following terms? Final good, intermediate good, value added, income, wealth, and investment vs. capital stock. Why is there a controversy about measuring government activity and its contribution to the U.S. economy?
3. Why does the IS curve have a negative slope? What will influence the policy which is called for in a macro model?
4. How did Keynes look at equilibrium in the economy? What was implied or policy suggested for the model? How is this different from the classical?
5. What is Say's Law? What part does it play in the classical model? What is its significance? What do we mean when we say it has to be true?
6. Why does the LM curve have a positive slope? What policy may affect it and policy choices may there be in a macro model?