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Fall 2003, Intermediate Macroeconomics, section 2

ECON 219 Review sheet

This review is to help you prepare for the final exam. The material covered will be principally what we have done since the second mid-term, that is classes 29 through 38 in the syllabus. We did not cover class 39 and 40. I say principally because I will not assume that you have forgotten what we did before, as I may come back to stylized facts, or to differences between latter and former models.

Below I offer you a list of items that you should be able to master in order to do a good exam. I am not claiming that I am exhaustive here. Refer to past exams for the format.

- Why do we have convergence in the Solow growth model?
- How can we obtain an optimal level of consumption?
- Why does this differ between the social planner and the household?
- How can we obtain sustained growth after all? Exogenously, endogenously.
- What is so special about human capital?
- Can we now explain differences in wealth across nations? Differences in growth?
- What are the roles of money? What is money good for?
- What characteristics should money have? Why?
- What have been some manifestations of money through time?
- How do we measure money? Why?
- What are the stylized facts of money?
- How can we make money useful in a macro model?
- Why do we have cash goods?
- What trade-off does a household face regarding to money?
- Where does money demand come from? And money supply?
- What is money (super)neutrality? Does it happen? Why?

- What is the Fisher relationship?
- What is the Friedman rule? Why is it so? And why is not so in the data?
- What is velocity?
- What should the central bank look at when conducting monetary policy?
- How can we get money non-neutrality? Is this good?
- Why do some central banks try to be transparent?