

Some Basic Questions on the Second Lecture

1. Briefly, who was John Maynard Keynes?
2. Keynes wrote a famous book in 1936. What was the title and why did he write the book?
3. Keynes understood the classical system of macroeconomics well. How do we know this?
4. In the General Theory, Keynes disagreed with classical macroeconomics that interest rates would change to help the economy self-correct. Explain.
5. In the General Theory, Keynes disagreed with classical macroeconomics that prices would change to help the economy self-correct. Explain.
6. In the General Theory, Keynes disagreed with classical macroeconomics that wages would change to help the economy self-correct. Explain.
7. What was the effect on economists when Keynes published his book?
8. Keynes believed that GDP was volatile because investment was volatile. Why is investment, and not consumption, so volatile?
9. What was Keynes' opinion of hyperinflation? The gold standard? socialism?
10. Was Keynes a liberal progressive or a conservative economist? Why do you think so?