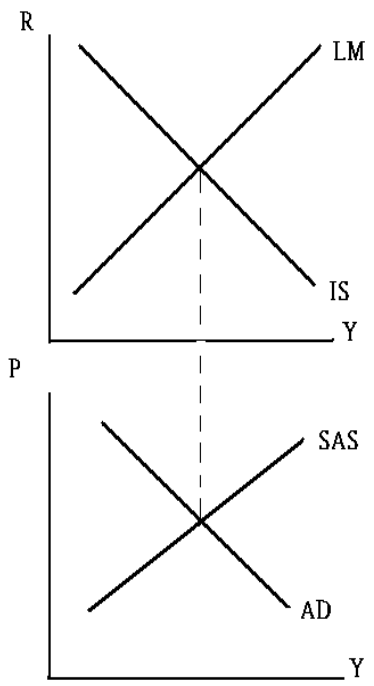


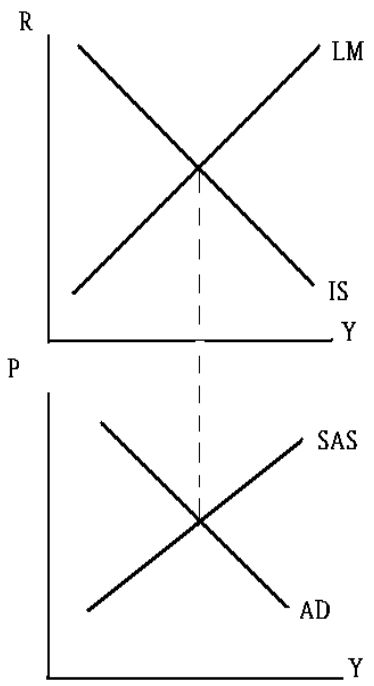
Twenty Exercises in IS-LM and AS-AD

Macroeconomic Theory

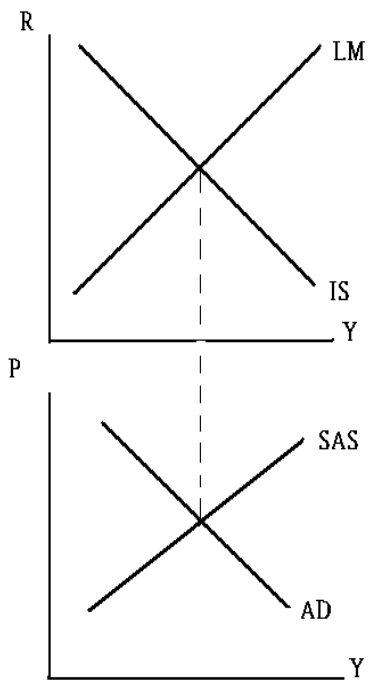
Spring 2018



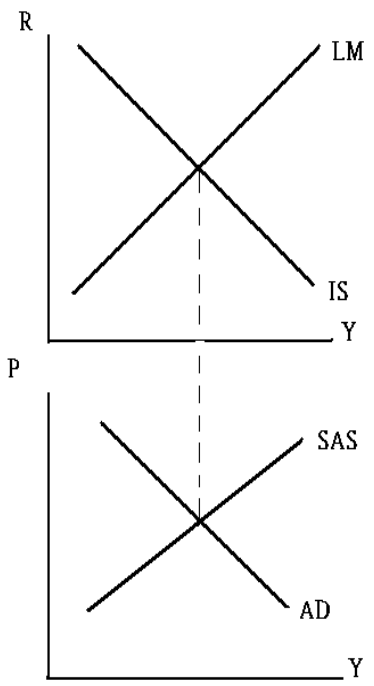
G increases



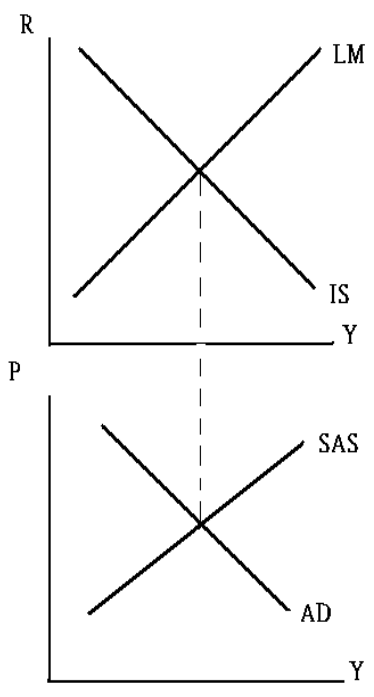
M increases



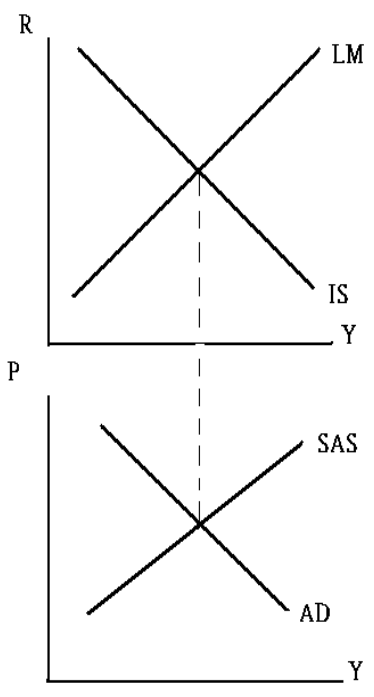
G = M increases



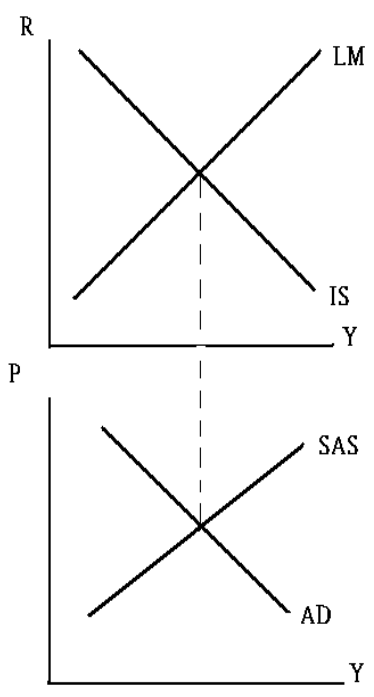
Taxes Increase



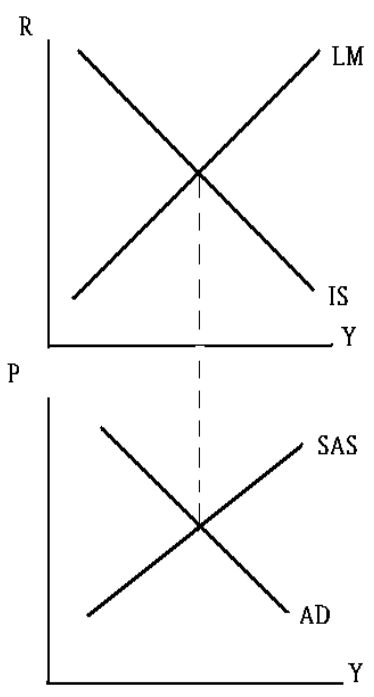
Nominal Wage Increases



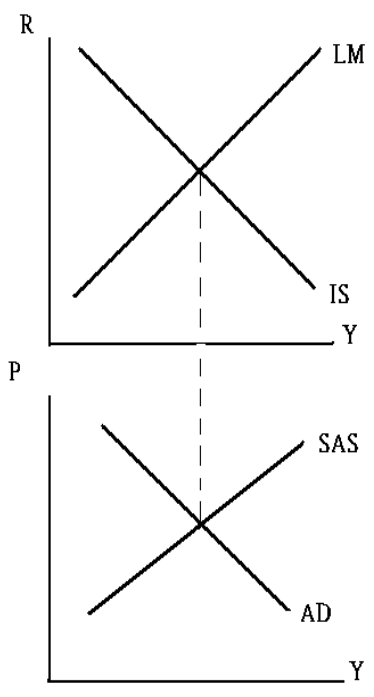
Increase in Oil Prices



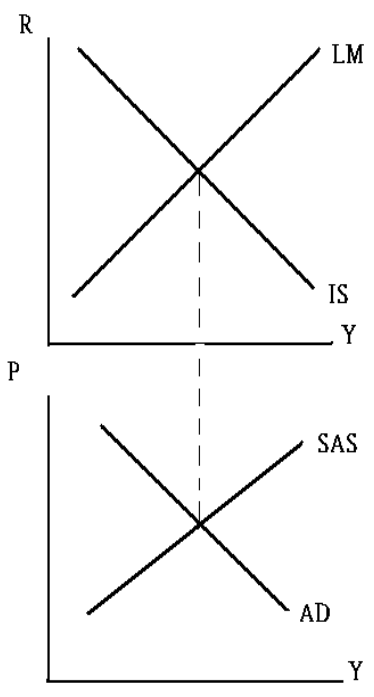
Increase in Money Demand



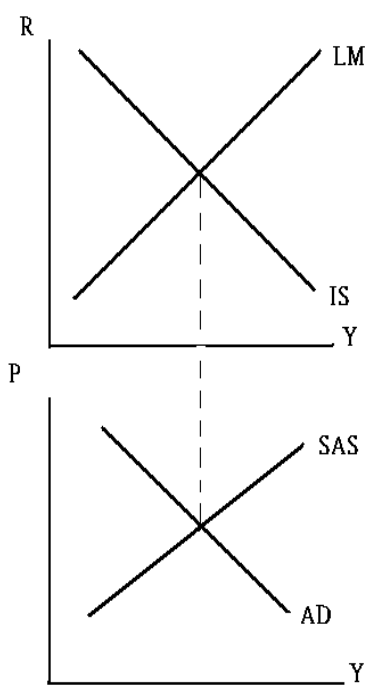
Loss of Consumer and Business Confidence – No effect on M^d



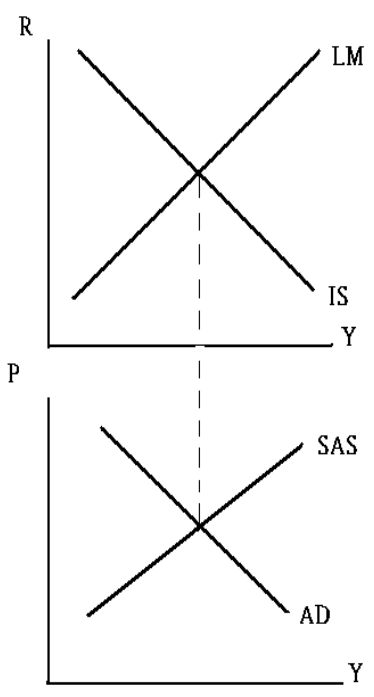
Loss of Consumer Confidence
And Rise in Money Demand



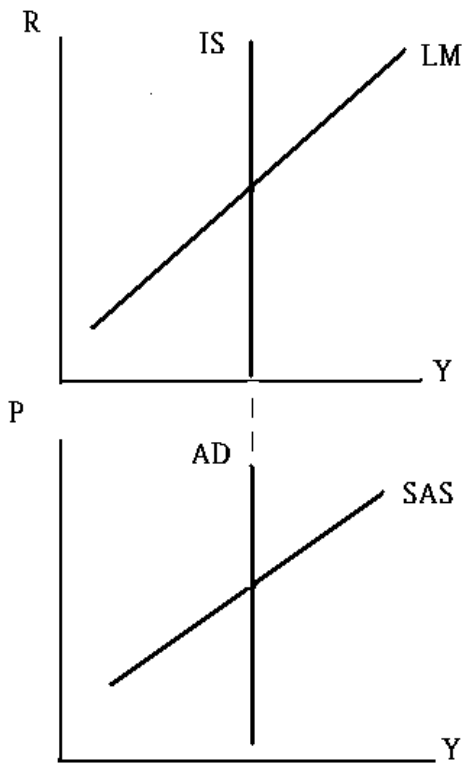
Rise in Worker Productivity



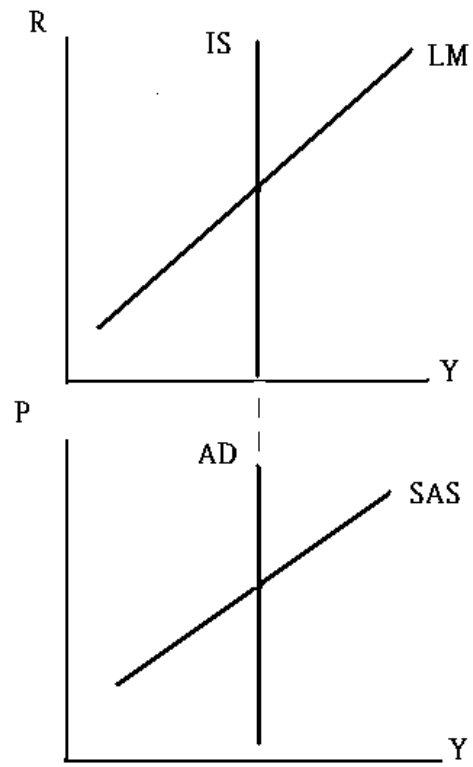
Decrease in the Velocity of Money



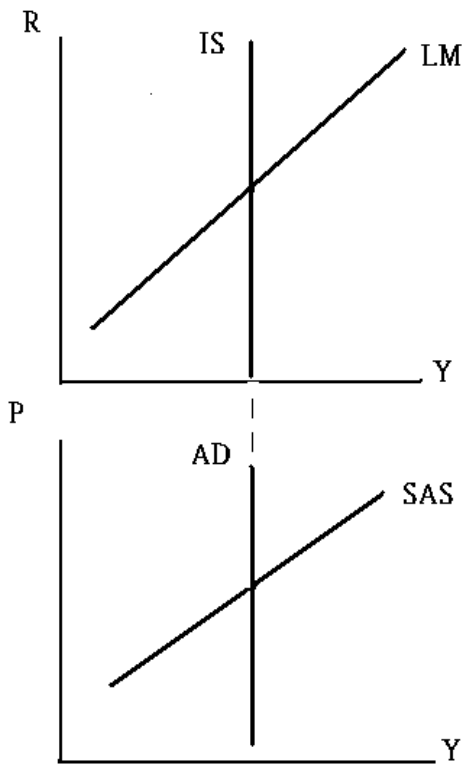
Increase in Investment Tax Credits



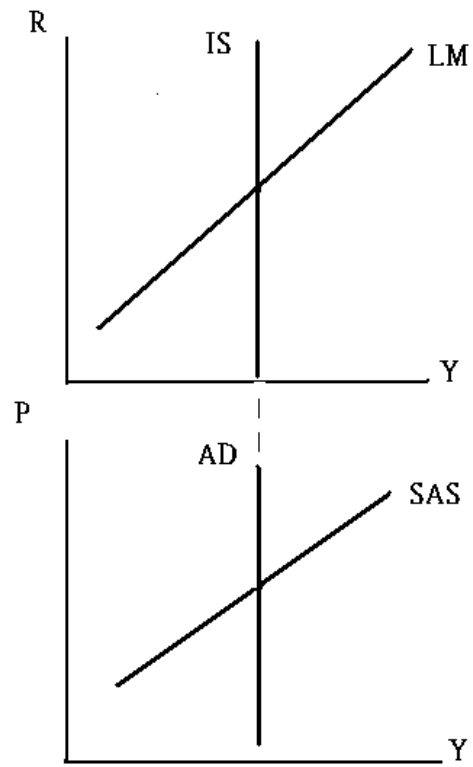
Increase in Money Supply



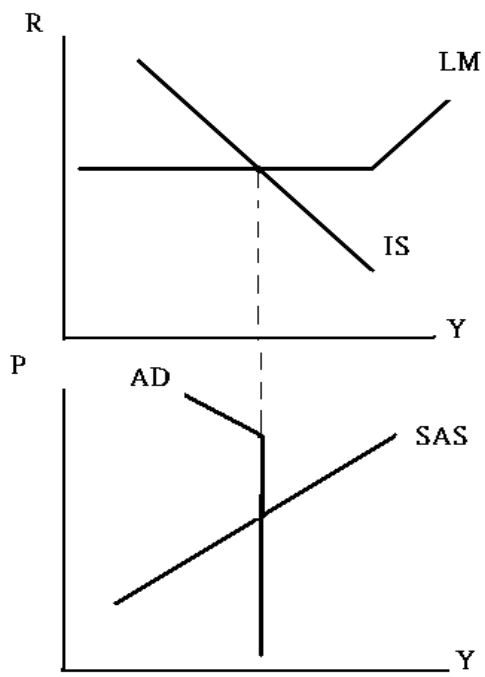
Increase in Taxes



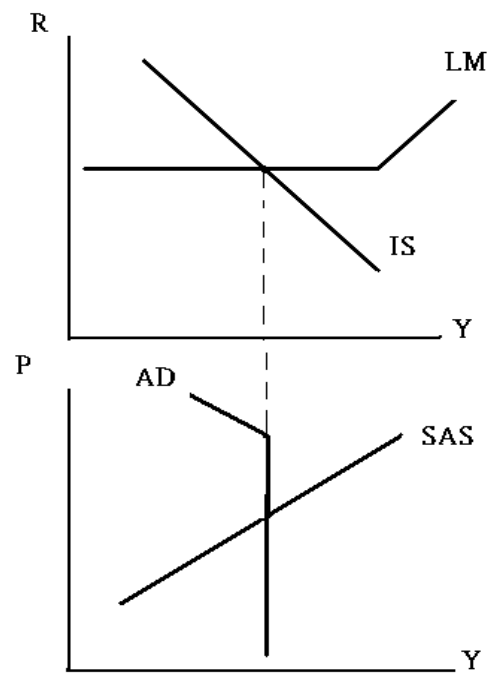
Increase in G



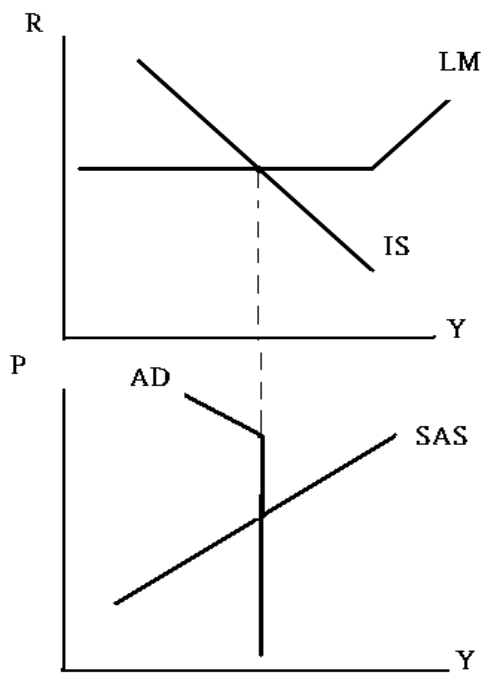
Reduction in Money Wage



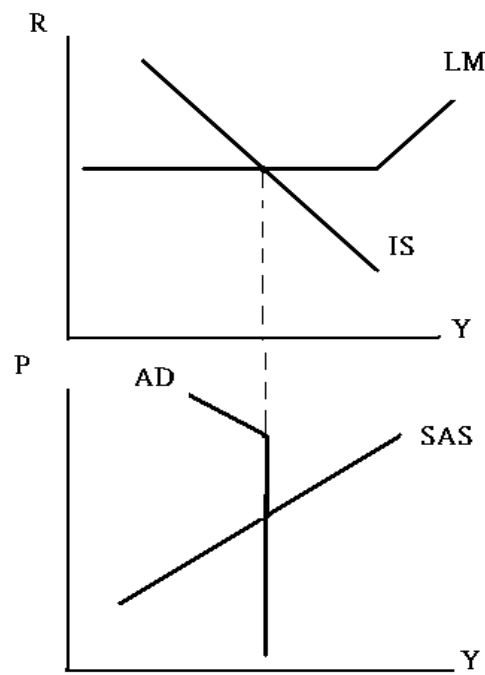
Increase in M^s



Increase in G



Increase in Consumer Confidence



A Decrease in Money Wages