# EE312 Macroeconomics, 2/2014 (Sec. 046402)
# Problem Sets 6

Please submit at the BE office, 5th floor department of Economics building.
Deadline of submission : May 1, 2015, before 15.00 hrs.
Late submission will not be accepted.
*** Exam will consist of essay-type questions only.**

1. [Chapter 7] The government decides that the use of credit cards is bad, and introduces a tax on credit card balances. That is, if a consumer or firm holds a credit card balance of $X$ (in real terms), he or she is taxed $tX$, where $t$ is the tax rate. Determine the effects on the equilibrium price and quantity of credit card balance, demand for money, and the price level, and explain your results.

2. [Chapter 8] In the Real Business Cycle Model, analyze the ef.ects of the increases in current total factor productivity and future total factor productivity on on the real wage, employment, current output and the real interest rate, current consumption and price level. (If the space provided is not enough, please attach a separate paper.)