<u>Homework</u>

(Deadline: TO BE DECIDED AFTER MID-TERM)

Instructions:

1) Read the following article:

https://www.investopedia.com/terms/k/keynesianeconomics.asp

2) You are to summarize the article into 10-13 key points (ประเด็นสำคัญ), which are accompanied by brief explanations.
3) Your work must be within one and a half pages. One page is preferred.
4) Your work has to be HAND-WRITTEN on IPAD or SCANNED PAPER(S).
5) **Your key points MUST be about economic theories (not Keynes' biography) and cover the following notions.**
    a. Keynes' perspective on Great Depression
    b. Keynes' perspective on the Classical Economics
    c. Possible solutions to Great Depression
    d. Pros and cons of monetary policy
    e. Pros and cons of fiscal policy
    f. What is Keynesian economics?
    g. Keynes' perspective on saving and economic growth
    h. Alternative theory on saving and economic growth (Google!)
6) You will be fully awarded 10 marks (10%) for 10 correct and accurate key points. The extra 3 key points are for 3 extra marks in case some of your conclusions are incorrect.

    สามคะแนนเป็นคะแนนพิเศษ หากนักเรียนคนไหนสรุปผิดบางข้อจาก 13 ข้อ ก็ยังมีสิทธิได้คะแนนเต็ม
7) Submission after deadline will not be accepted.

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1 Keynesian economic is a macroeconomics theory of total spending in economy and its effects output, employment, and inflation.

2 Keynesian economic was developed by John Magnard Keynas during the 1930s in an attempt to understand the great depression

3 Keynesian economics is considered a demand side theory that focus on changing in shot run. Keynes's theory is the first to sharply separate the study of economic behavior and markets based on individual incentives and study from broad national economic aggregate variables and contructs.

4 Keynes developed his theories to the Great depression and was highly critical of previous economic theories, which he referred to as "classical economics"

5 Classical economics was replaced with more updated ideas, such as keynesian economics, for more goverment intervention.

6. For the possible solution to the Great depression Keynas advocated for increased goverment expenditure and lower taxes to increased demand and pull the global economy out of the depression.

7. Fiscal policy

Pros

- spending boost aggregate outputs and generates more income.
- can use taxation to decreased negative externalities.

Cons

- tax incentives can spent on imports.

8. Pros and Cons for Monetary Policy

Pros : - interest rate targeting to controls inflation rates,
- can boost exports when the currency is weaken.

9. Keynesian economics is considered a "demand-side" theory that focuses on changes in the economy over short run. Based on his theory, Keynes advocated for increased government expenditures and lower taxes to stimulate demand and pull the global economy out of the depression.

10. Saving is one of important things to the economics progess of the country because it is relation to the investment. If there are increase in productive wealth, some individuals must willing to avoid consuming from their income.

11. Keynes believe that individuals should save less and spend more to increase their marginal propensity to consume and these will also boost the economic growth and reduce unemployment.

12. While savings were strickly linked to income resources by Classical theory and Post-Keynesian theory, simple partial-equilibrium models explain individual saving decisions in the light of private investment returns and labour-income dynamics.