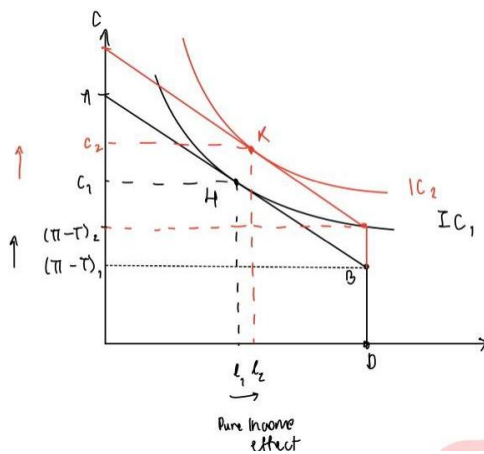
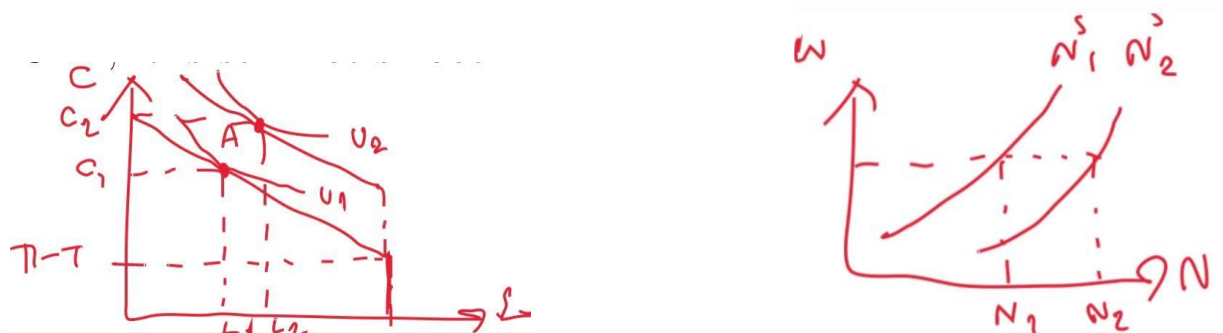


เราไม่ทิ้งกัน is the policy that government subsidized to the citizen during the Covid19 time. Government provided 5,000 baht to only citizens that registered to the program on the online site.

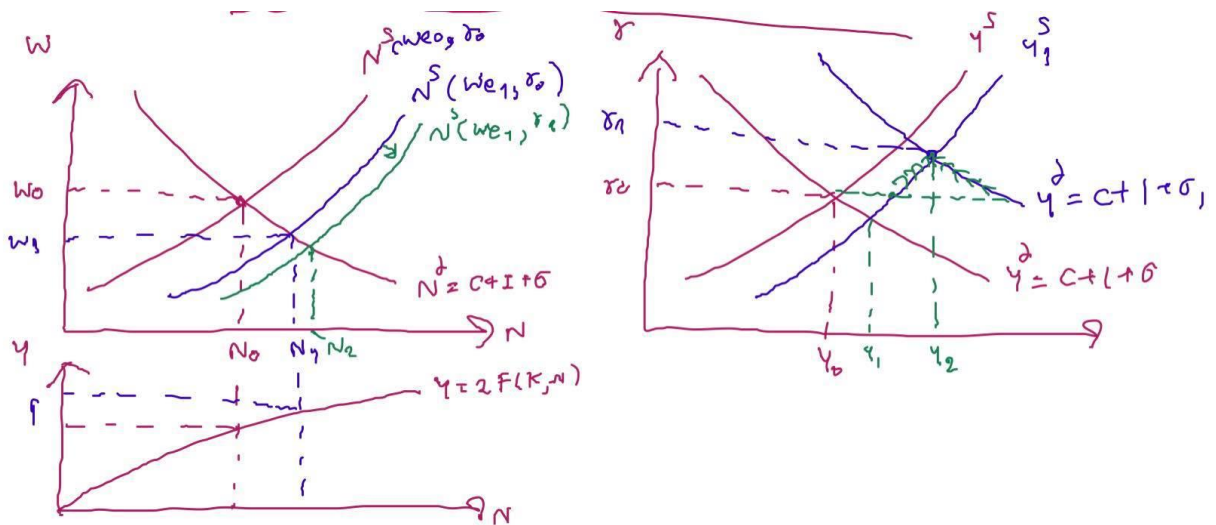
It is related to Chapter7, leisure and work. Consumers trade between consumption and leisure. When the government makes current income of consumers temporary increase, Consumers have more wealth. If the labor substitution effect is more than income effect. When wealth increases, it causes Leisure time and consumption increase. It also causes the labor market to change. Labor supply shifts to right, so consumer utility increases. consumer is better off



For chapter 8, when the current income increases by 5,000 baht, the lifetime wealth increases from $w_1 = y_1 + y_2 / (1+r-t) - t' / (1+r)$ to $w_2 = y_2 + y_1 / (1+r-t) - t' / (1+r)$. Both current and future consumption increase as the lifetime wealth increases, but consumption (C) does not increase as much as the increasing of income (y). Saving also increases. This is called consumption smoothing as current income increases, and consumption increases but not as much as income (y) increases. Aggregate consumption is less volatile than GDP. Durable is more volatile than non-durable goods.



For chapter 9, it is related to intertemporal models. When the government spends on government expenditure (G), the present value of future tax will be equal to the government expenditure (G) that the government spends. Lifetime wealth decreases because tax will increase in the future, so considered from output demand (Yd). This also cause leisure time increase, so the labor supply increase. The output supply shift to the labor supply shift but the as much as Yd because it is indirect effect. Real interest in conclusion, real interest rate increase, leisure time decrease, labor supply increase, and life time wealth increase. When lifetime wealth decrease, labor supply increase cause interest rate increase. Consumption decrease. This makes labor increase in the overall level, so investment decrease. This is crowd out.



Consider in credit market ($G = B$)

When R increase, it means investment decrease which is crowding out effect)

Present value, the effect to the output demand (Yd) cause government to increase then the real interest rate also increases. Saving increase from higher r and larger y.

