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1. During the great depression, the situation cannot be explained by classical economic theory, so this inspried Keynes to think into another perspective. He advocated a countercyclical fiscal policy which stated that the government should undertake deficit spending to boost up the economy to stabilize aggregate demand.

2. According to Keynes's perspective on classical economics stated that cyclical swings in employment and economic output create profit opportunities and lower inflation helps correct the imbalances in the economy and restoring economic growth. However, Keynes argue against the classical theory during the Depressions.

3. The possible solutions Keynes suggested is that the government should spend more money and cut taxes to turn a budget deficit to help increase consumer demand in the economy and lead to an increase in overall economic activity. Keynes believed that the government create a robust economy than market forces.

4. Keynes criticizes the idea of excessive saving that it is dangerous for the economy because the more money people save, the less money in the economy stimulating growth.

5. Keynesian economic focuses on using active government policy to manage aggregate demand to prevent economic recession and optimal economic performance that could be achieved. It is also macro economic theory of total spending in the economy and its effect on output, employment, and inflation.

6. During the recession business are hopeless and characteristic of market economies would exacerbate economic weakness and aggregate demand to plunge. Poor business conditions cause the business to reduce capital investment and lower wages which would have the effect of reducing overall expenditures and employment.

7. One of the components of Keynes countercyclical fiscal is the multiplier effect, Government spending boost aggregate output and generates income and result in growth in GDP.

8. Keynesian theory is the first to separate the study of economic behavior and markets based on individual incentives from the study of broad national economic growth aggregate variables and construct. It is developed to help understand the Great depression.

9. Without government intervention, the recession is disrupted and market growth becomes unstable and prone to excessive fluctuation.

10. A lower interest rate is an attempt to stimulate the economic cycle by encouraging business and individuals to borrow more money, but it's not always lead to economic improvement.

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11. Fiscal policy determines how the central government earn money through taxation and how it spend money. The government can use taxation to discourage negative externalities. The main component of fiscal policy is the multiplier effect, which lead to more spending. However, some economist criticizes that the Keynesian model misrepresented the relationship between saving, investment and economic growth.

12. Monetary policy refers to the actions taken by central bank to achieve it's macroeconomic theory policy objectives. Interest rate targeting can help to controls inflation as it encourage investment in the future and allows workers to expect higher wages. On the other hand, when the interest rate is low to 0%; it limits the bank's use and lead to liquidity trap.

13. The level of saving equals the level of investment. Invesment needs to be financed from saving. If people save more, it enables the banks to lend more to firms for investment. Higher saving can help finance higher level of investment and boost productivity over the long term. The Harrod Domad model of economic growth suggest the level of saving is a key factor determining economic growth rates.