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1. What is Keynesian Economics? It focuses on using active government policy to manage aggregate demand in order to address or prevent economic recession. Keynesian economics is considered a "demand-side" theory that focuses on changes in the eonomy over the shortrun.

2. Keynes' perspective on Great depression? The Great Depression inspired Keynes to think differently about the nature of the economy. He established real-world applications that could have implications for a society in economic crisis. Keynes rejected the idea that the economy would return to a natural state of equilibrium, but he think that once an economic downturn sets in, for whatever reason, the fear and gloom that it engenders among businesses and investors will tend to become self-fulfilling and can lead to sustained period of depressed economic activity and unemployment.

3. Keynes' perspective on the classical economics Keynes thought that free-market economics tended toward underconsumption and underspending. He called this the crucial economic problem and used it to criticize high-interest rates and individual preferences for saving.

4. Possible solutions to Great depression He proposed that the gov't should spend more money and cut taxes to turn a budget deficit, which would increase consumer demand in the economy. This lead to an increase in overall economic activity and a reduction in unemployment.

5. Keynes' perspective on saving and economic growt Keynes criticized the idea of excessive saving, unless it was for a specific purpose such as retirement or education. He saw it as dangerous for economy because the more money sitting stagnant, the less money in the economy stimulating growth.

6. Keynesian Economis and fiscal Policy The use of government spending and taxation to influence the economy. Government use it to promote strong and sustainable growth and reduce poverty.

7. Pros and cons of fiscal policy Keynes believed that individuals should save less and spend more, raising their marginal propensity to consume to effect full employment and economic growth. Cons: It can created budget deficits (dangerous)

8. What is Monetary policy? The demand side of economic policy, refers to the actions undertaken by central bank to control money supply and acheive macroeconomic goals that promote sustainable economic growth. Futhermore, Monetary policy can be classified to either expansionary or contrationary.

9. Pros and cons of Monetary policy A primary adventage is the spend with changes can be implemented, and its flexibility with regard to the size of the changed to be implemented. In terms of disadventaged of monetary policy is the effect on the job market and public sector is not as quick as fiscal policy.

10. Alternative theory on saving and economic growth More people start to save money which lead to the reduction of the economic growth as the amount of money in the system decreases. Money usually run the flow of the economy.

11. What is economic growth? It is an increase in the production of goods and services in an economy. It is commonly measured in terms of the increase in aggregated market value of additional goods and services produced, using estimates such as GDP.

12. How does Keynesian economics deal with inflation? Keynesian macroeconomics argues that the solution to a recession is expansionary fiscal policy that shifts the aggregate demand curve to the right. On the other hand, when the unemployment is low, but inflationary rises in the price level are a concern, the aggregate demand will shifts to the left. (Phillips curve)

13. Keneysian economics VS. Classical economics Keneysians focus on short-term problems, but classical economics focus more on getting long-term results by letting the free market adjust to short-term problems.