

Homework

(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.

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7) Submission after deadline will not be accepted.

- The great depression inspired Keynes to think differently about the nature of the economy
- He argued that when there is a economic downturn Gov. should undertake deficit spending and stabilize aggregate demand
- Keynes believed that classical economic cannot explain Great depression
- The Pros of Monetary policy make more investment and increase spending.
- The con of monetary policy is not surely recover the economy and require time to achieve. Moreover it may discourage business to expand
- The Pros of fiscal policy is reactionary to the ever-changing economic conditions a country face. It can be used to limit negative country behaviors and positive effect happen quickly
- The cons of fiscal policy is easy to create a budget deficit, not all spending happens domestically, and changes can be politically or personally motivated.
- Keynesian economic is macroeconomic theory of total spending in economy and its effect on output, employment, and inflation.
- Keynesian's theory is first to sharply separate the study of economic behavior and market based on individual incentive.
- Keynesian economic is considered a demand-side theory that focus on changes in economy over the short run
- He saw excessive saving is dangerous for the economy because the more money sitting stagnant, the less money in the economy stimulating growth.
- Theory of saving and growth explain that when the savor save more and total spending will decline. Making business reduce production and income earned from production decrease. Furthermore it can reduce total demand and the unemployment increase. This will lead to severe unemployment period of Inflation or depression.