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**The government classical way of tackling depression will only make it worse**

- Keynes criticized that cutting welfare spending and increasing the tax rate to balance the national book would lead to people spending less money and therefore does not benefit the economy.

**Government should allow budget deficit**

- Instead of reducing welfare spending and raising taxes, Keynes stated that the government should increase their spending and cut on the tax rates in order to increase consumer spending and stimulate growth. As a result, this would improve the overall economic activity and therefore reduce unemployment

**Keynesian fiscal policy mainly affect the demand-side**

- Keynesian believe that aggregate demand is the primary driving force of the economy. Therefore, his theory mostly changes the demand rather than the supply in the economy.

**Using the idea of multiplier effect to stimulate economic growth**

- When the government increases its spending, it stimulates aggregate demand and leads to real GDP growth. This would create more jobs likewise more workers will earn income and this will spark greater consumer spending which drives aggregate demand even more leading to additional real GDP growth and the cycle continues.

**Keysian believe individual should increase their marginal propensity to consume**

- The idea of the Keynesian multiplier effect will be more effective if individuals spend more and save less. The idea of excessive saving is not ideal for Keynesians if it does not have specific purposes such as retirement plans or education. This is because the more money sitting without purpose would cause less money to stimulate growth in the economy.

**Low interest rate would encourage businesses and individual to borrow**

- More borrowing often leads to an increase in spending and would likely help to increase economic growth.

**Low interest rate does not always directly lead to economic improvement**

- Low interest rates may lead to liquidity traps. This is because businesses and individuals might not have the incentive to invest and prefer to hold money in cash or short term treasuries. Therefore, interest rate manipulation may not be enough to generate new economic activity.

**Fiscal stimulus is far less effective than the original multiplier model suggests**

- Many economists criticized that Keynesian model misinterpret the idea and relationships between savings, investment and economic growth. On the other hand, the original model ( also known as the money multiplier) creates money by using the system of fractional reserve banking and is less controversial.

**Keynesian economics is an economic theory that changes the level of overall spending in the economy to control output and inflation.**

- By increasing government spending and reducing tax rates during a period of recession would result in greater demand and therefore improve the economy position.

**Supply side policy could boost economic growth**

- Supply side policy such as subsidising farmers would help to increase the level of production and, in theory, this would shift the supply curve to the right resulting in a lower price of goods and therefore would attract more consumers. This will lead to an increase in aggregate demand and therefore stimulate economic growth.