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.

10 Key points

a) Keynes 's theory and Great depression tend to have the same direction. Keynes mentioned that demand create it own supply. This is what happen in a Great depression when aggregate demand reduced, economic went down because a reduction of aggregate demand brought economy from above to below their potential output.

b) Keynes couldn't get along with the classical economic. He said that full employment is impossible because you are required to reduce wage to hire more employees, in reality, people would not be hired to produce what market doesn't need because demand is weak, no one want this product.

c) Keynes suggest that Government should reduce taxes and increase Government spending so that consumer demand would be increase. This boost overall economic activity and prevent from increasing of unemployment.

d) pros - no process, so it could occur very quickly since it is not political policy.
cons - monetary policy couldn't prevent recession from happening

e) pros - encourage people to spend more money. For example, Government say that they will cut taxes 10,000 ฿ so they can see what would happen.
cons - it can end up very quickly because it use time in the process so that they could analyse the intend effect of it.

f) Keynesian economic is a theory in Macroeconomic type that consist of total spending in economy and its effect on out put, inflation, and unemplayent

g) Keynes doesn't want people to save money unless it need to. One expenditure is another one income, he see that if people save more money it would be bad, because there are not enough money to stimulate economic growth, people keep money sitting still, which mean our economy would grow slowly.

h) Classical theory