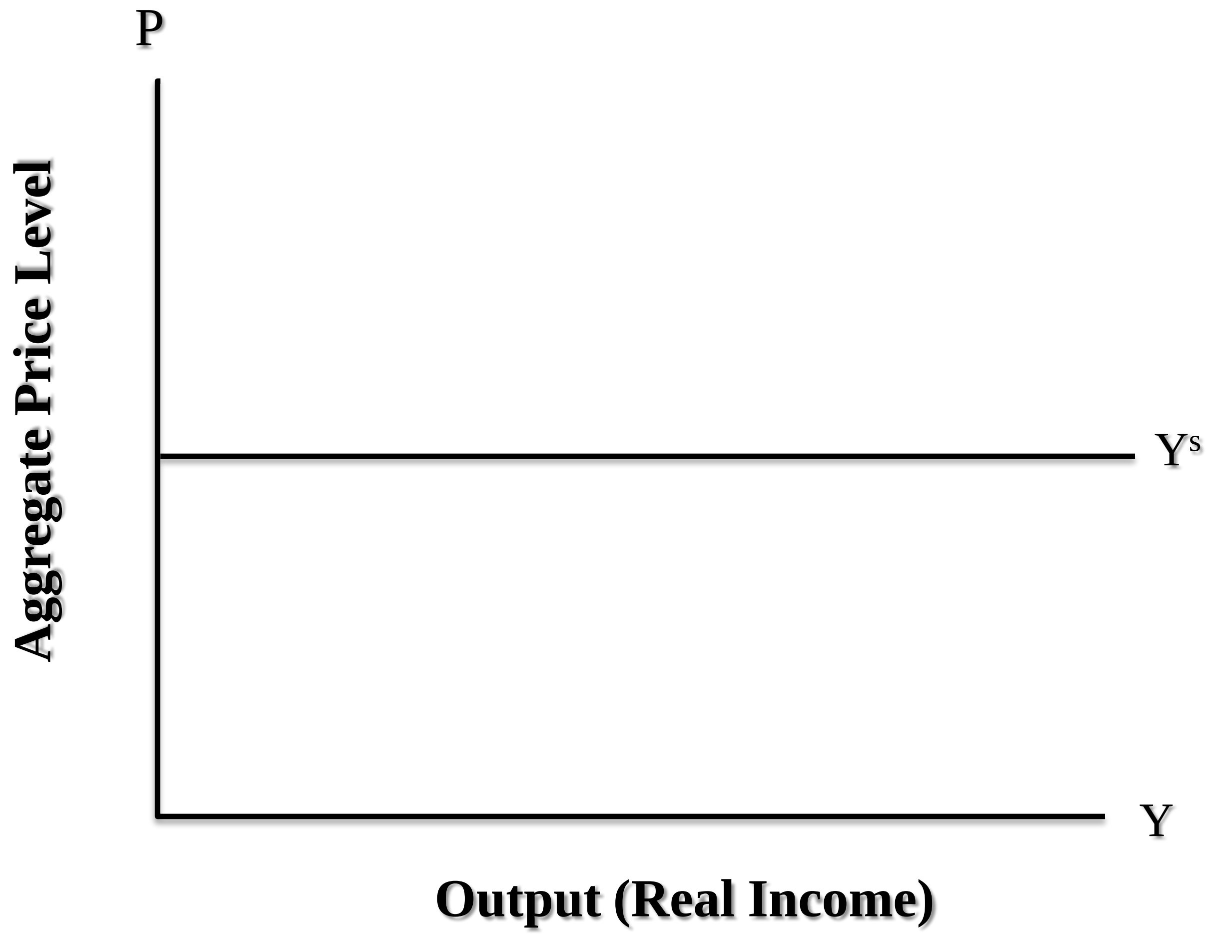
EE312 (1/2011)
Macroeconomic Theory

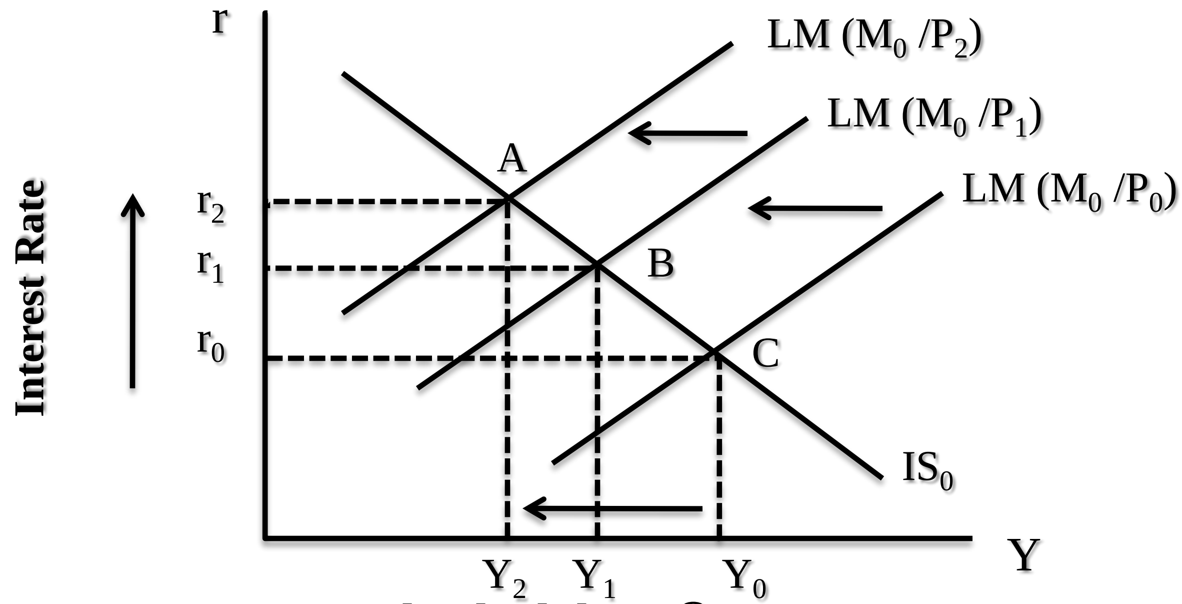
Keynesian Aggregate demand and Aggregate supply

Aggregate Supply Schedule in the Fixed-Price Keynesian Model (plausible when output is far below the capacity of the economy)

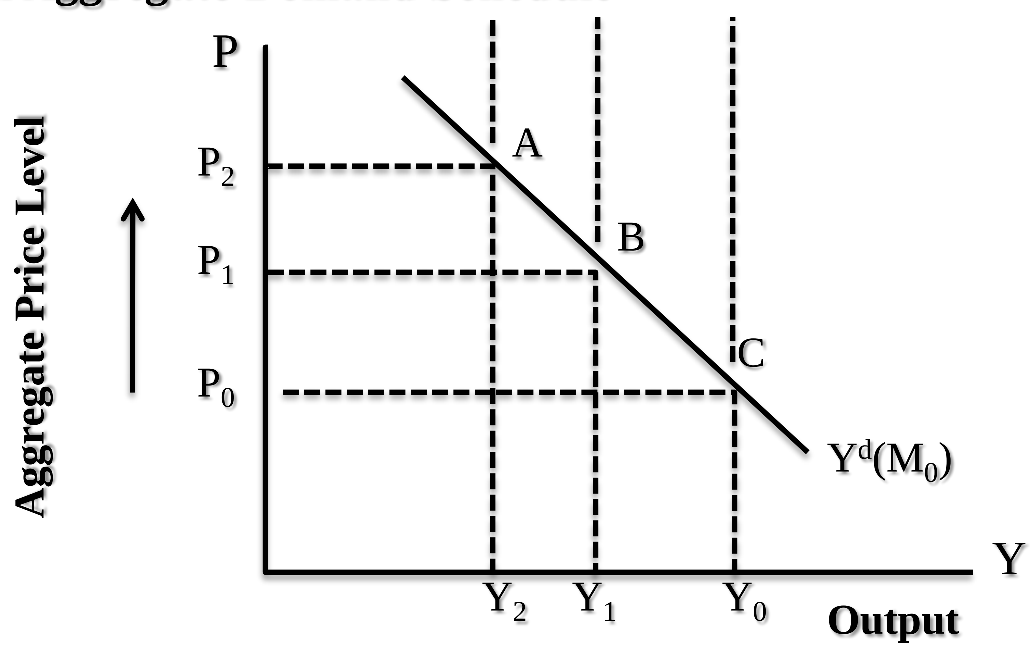


Construction of the Aggregate Demand Schedule

a. Effect of Price Changes on the LM Schedule

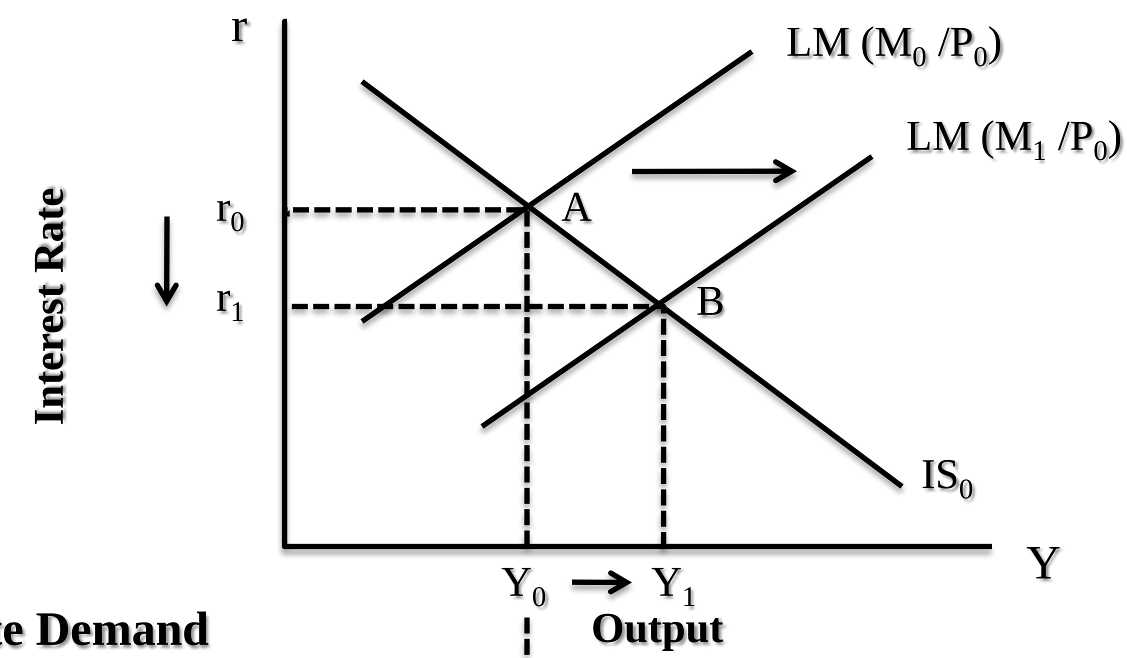


b. Keynesian Aggregate Demand Schedule

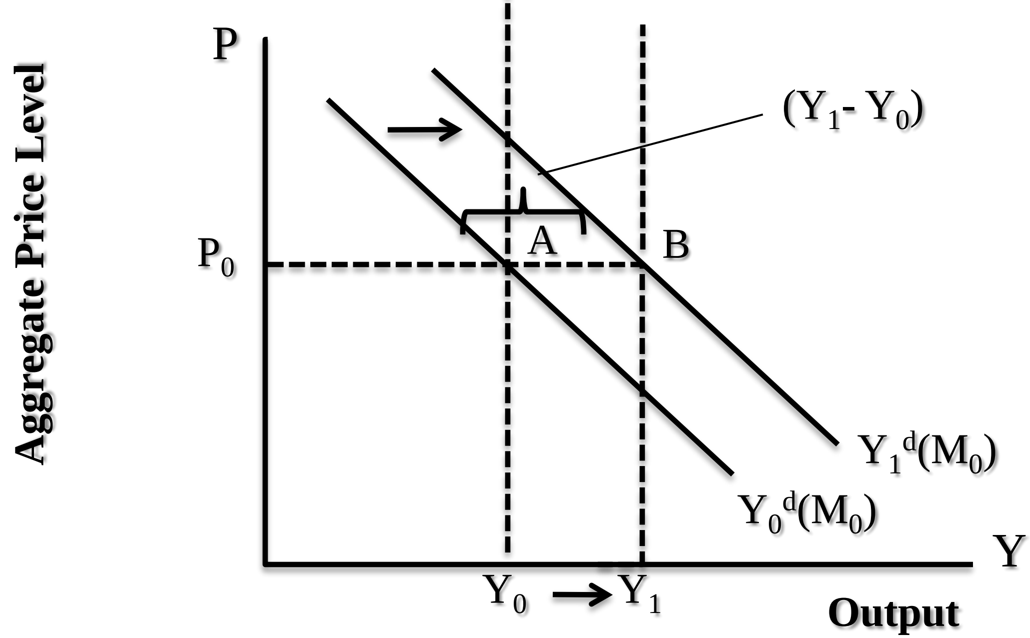


Effect on Aggregate Demand of an Increase in the Money Supply

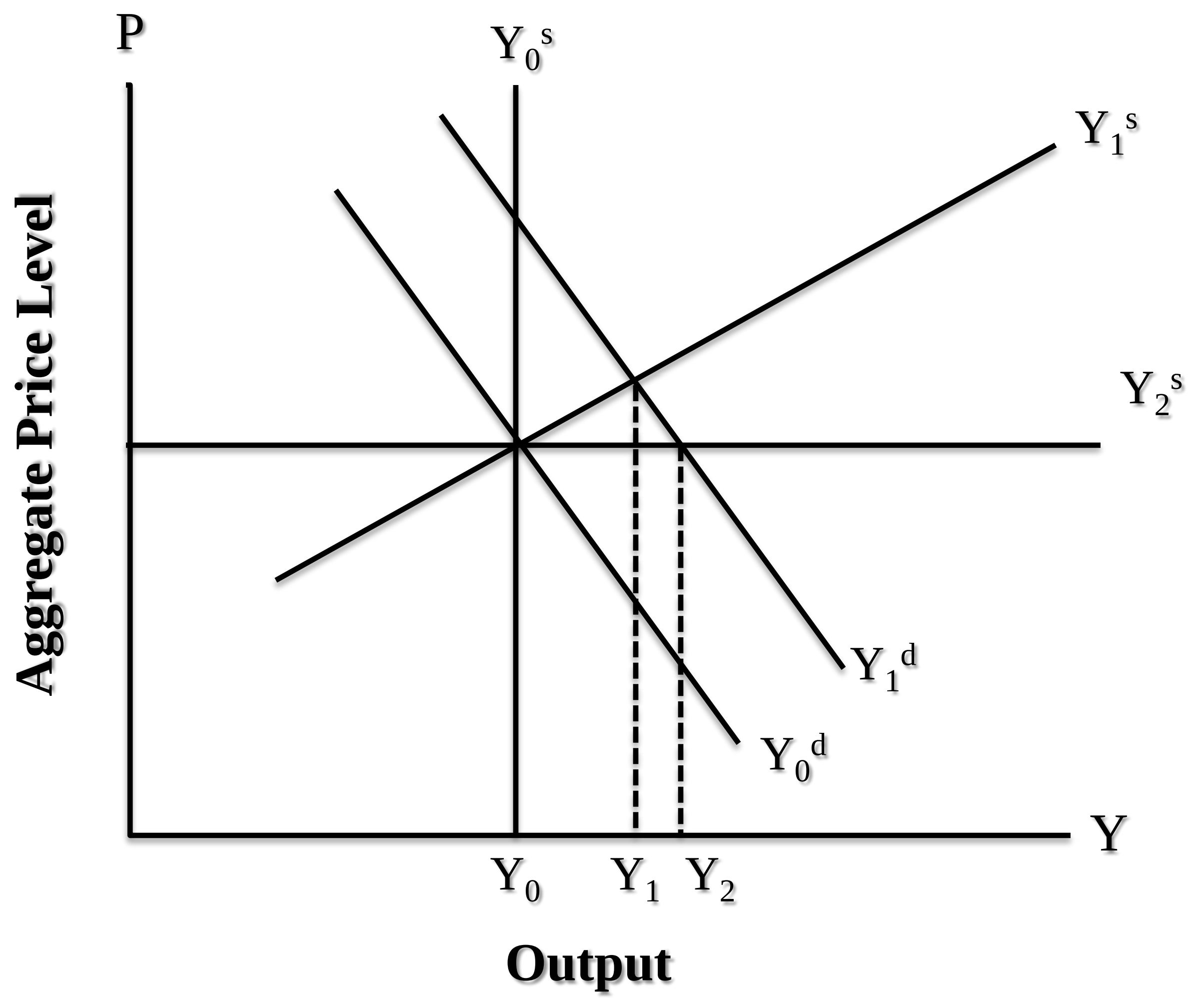
a. IS and LM Schedule



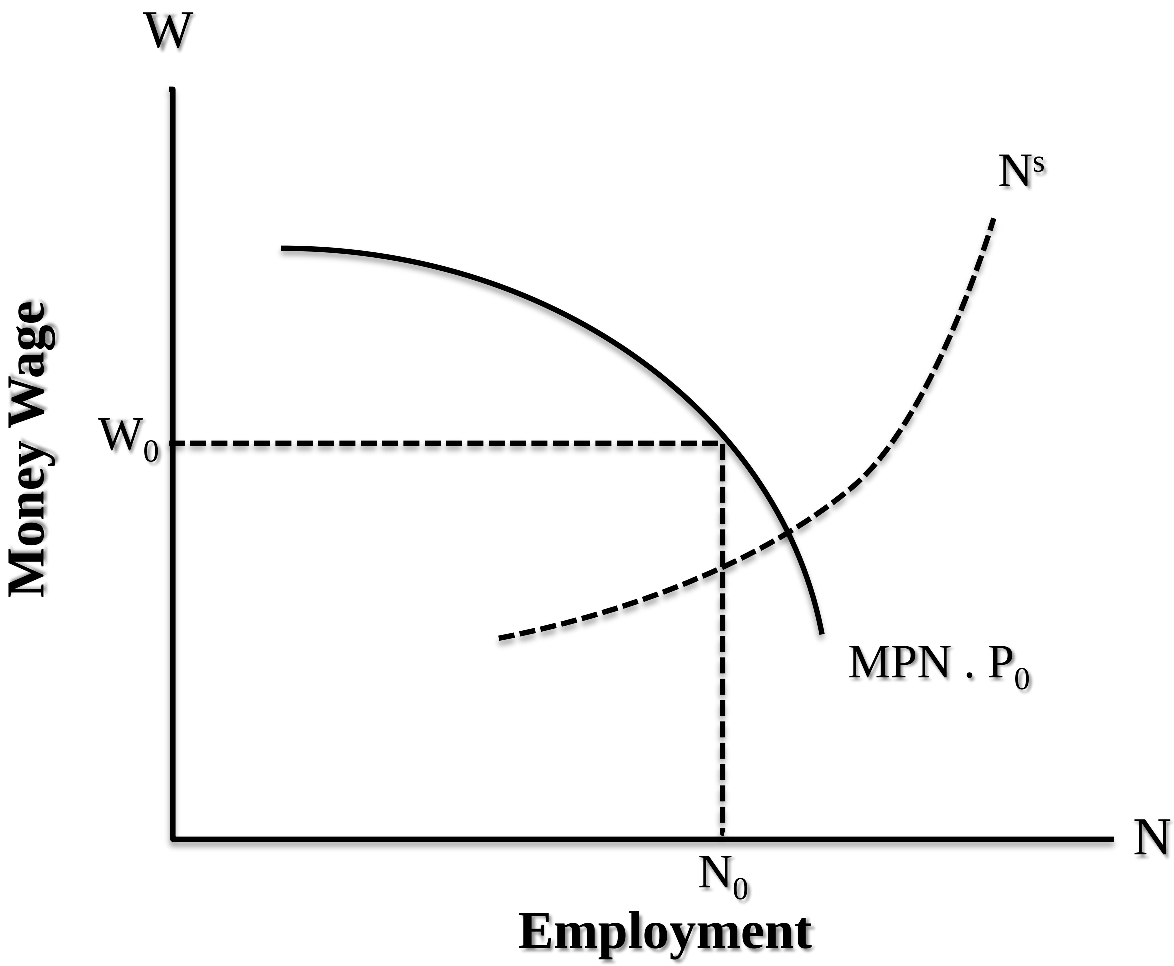
b. Aggregate Demand



Role of Aggregate Supply in Determining the Output Response to a Policy Shock

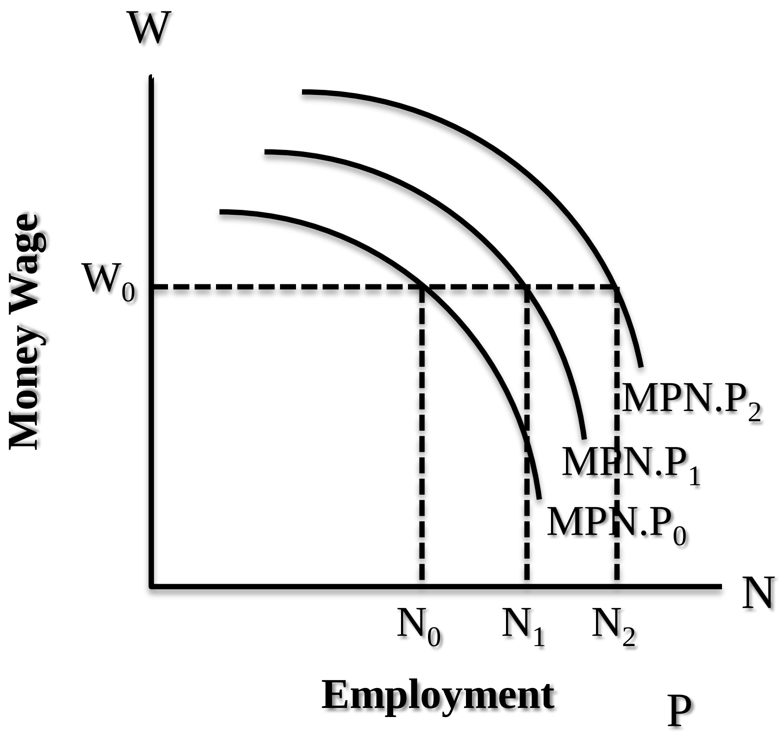


Employment with a Fixed Money Wage

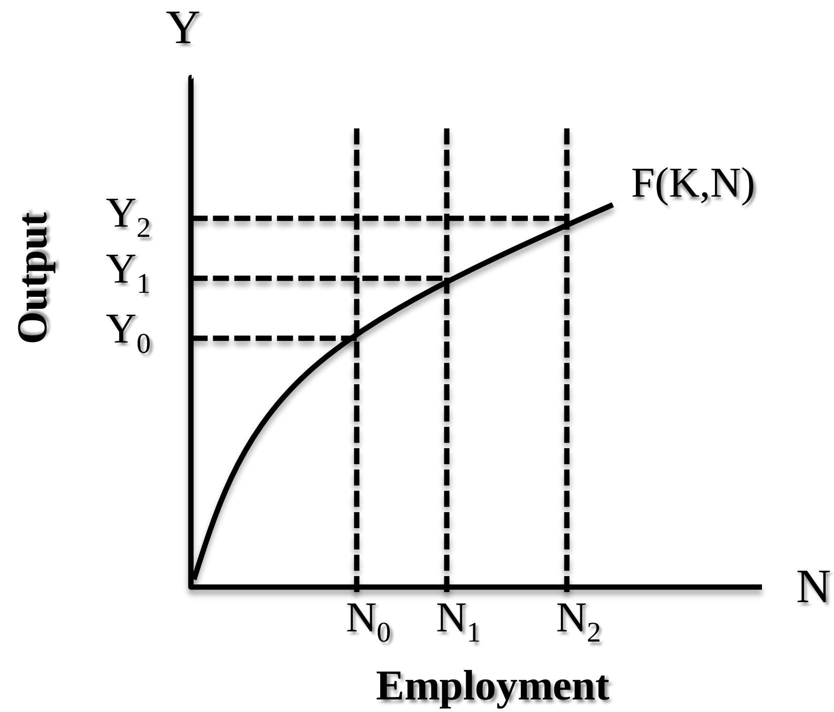


The Keynesian Aggregate Supply Schedule When the Money Wage is Fixed

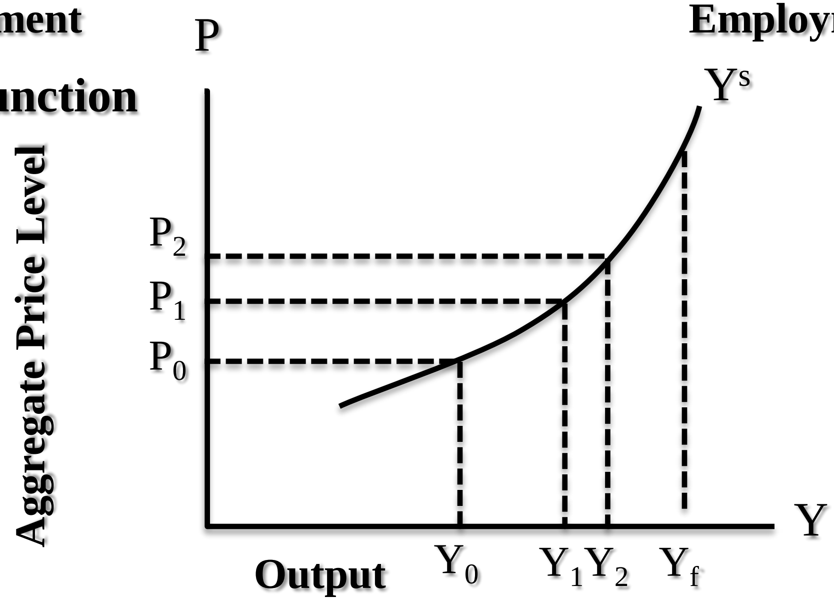
a. Labor Demand



b. Production Function

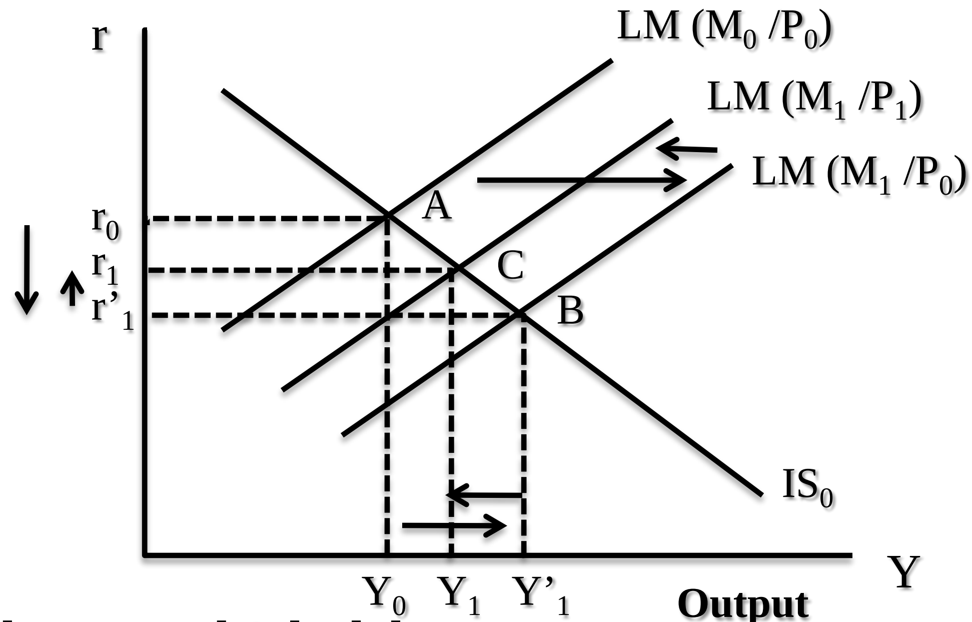


c. Aggregate Supply Function

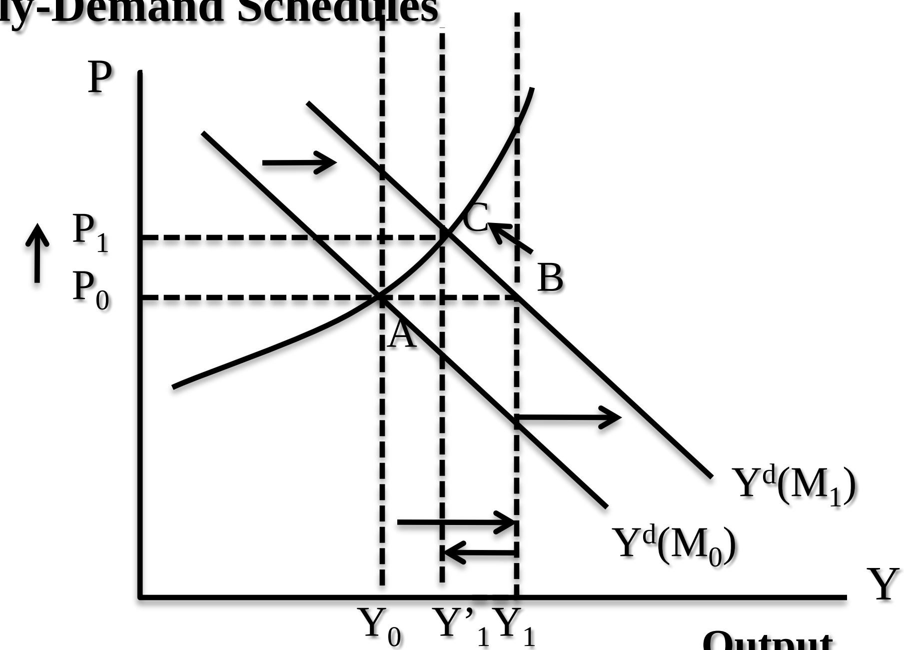


Effects of an Increase in the Money Supply When the Price Level is Flexible

a. IS - LM Schedule

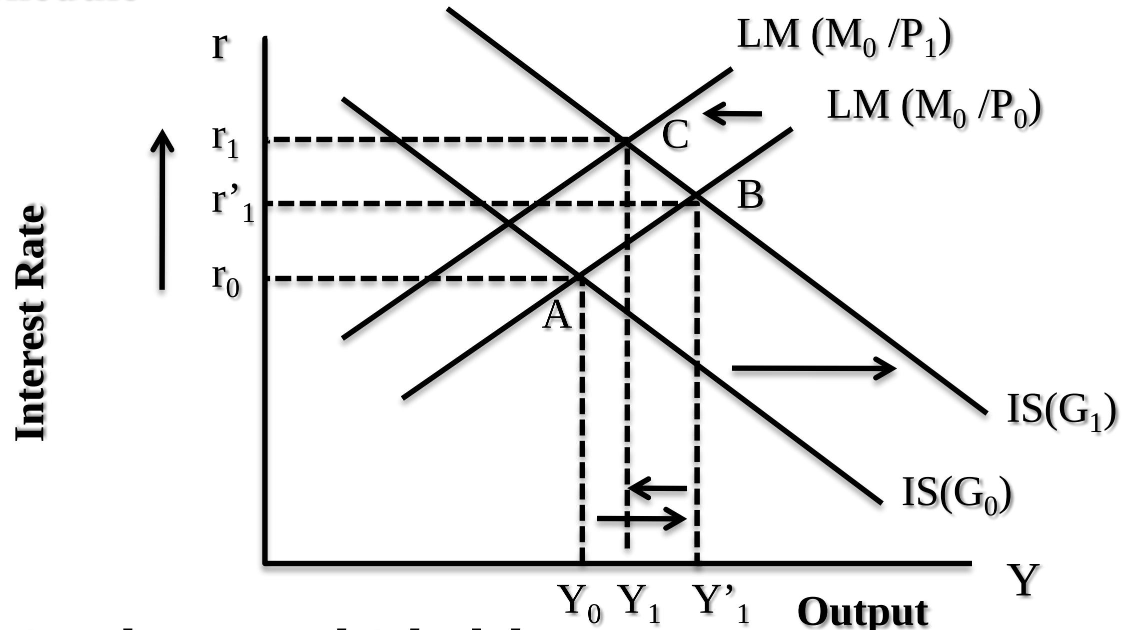


b. Aggregate Supply-Demand Schedules

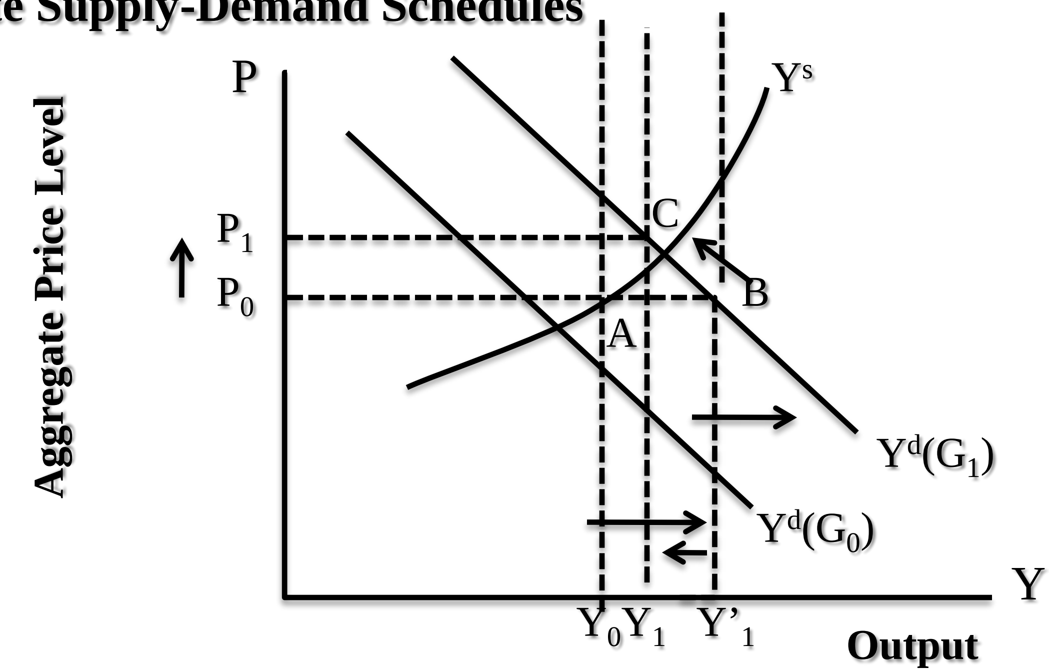


Effects of an Increase in Government Spending When the Price Level is Flexible

a. IS - LM Schedule

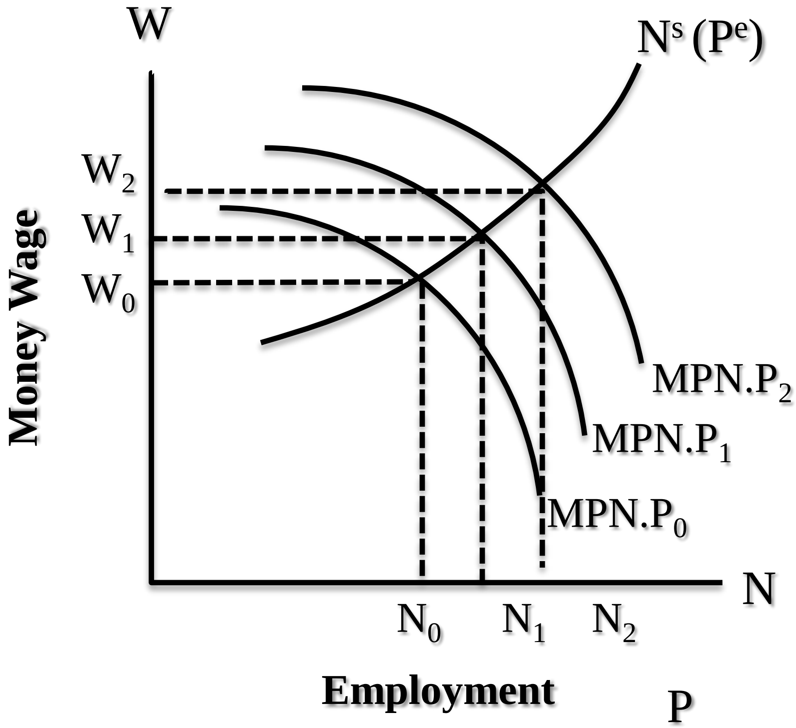


b. Aggregate Supply-Demand Schedules

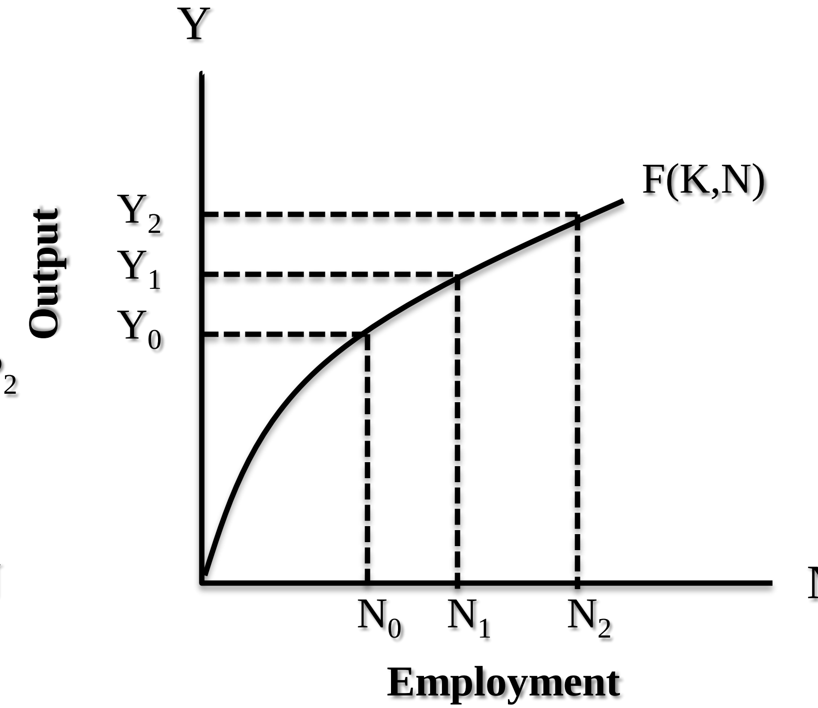


The Keynesian Aggregate Supply Schedule When the Money Wage is Variable

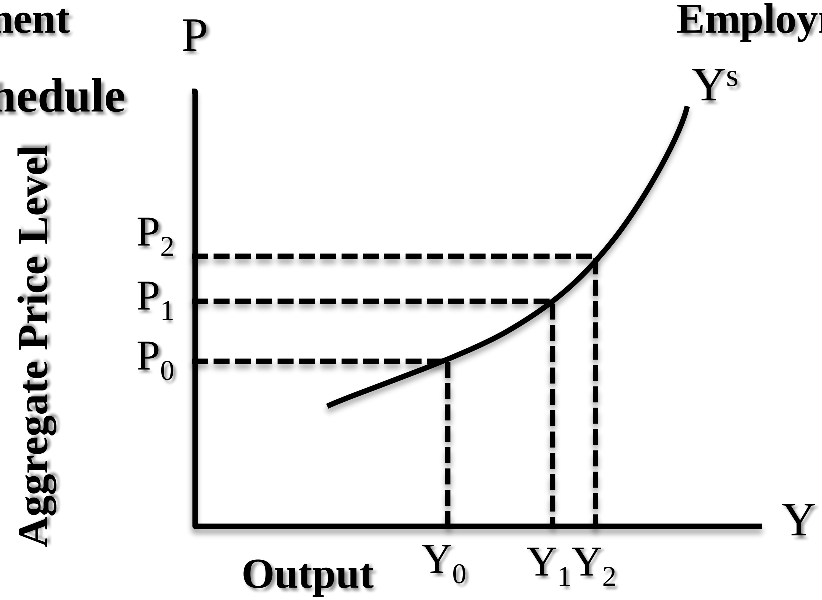
a. Labor Demand and Supply



b. Production Function

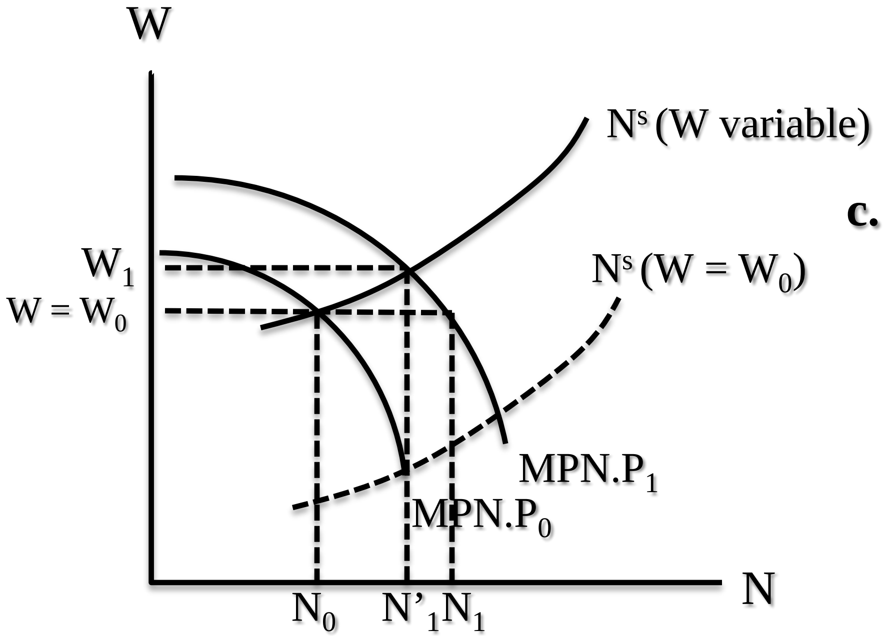


c. Aggregate Supply Schedule

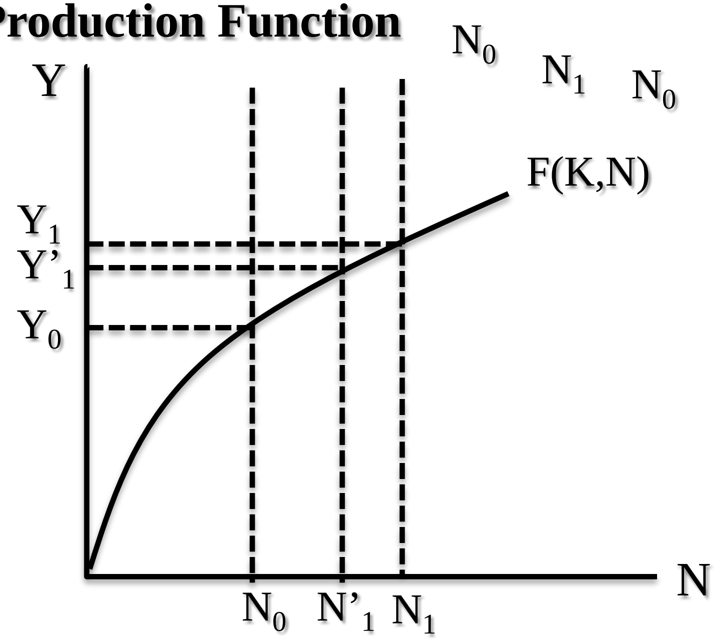


Keynesian Aggregate Supply Schedules for the Fixed- and Variable-Money-Wage Cases

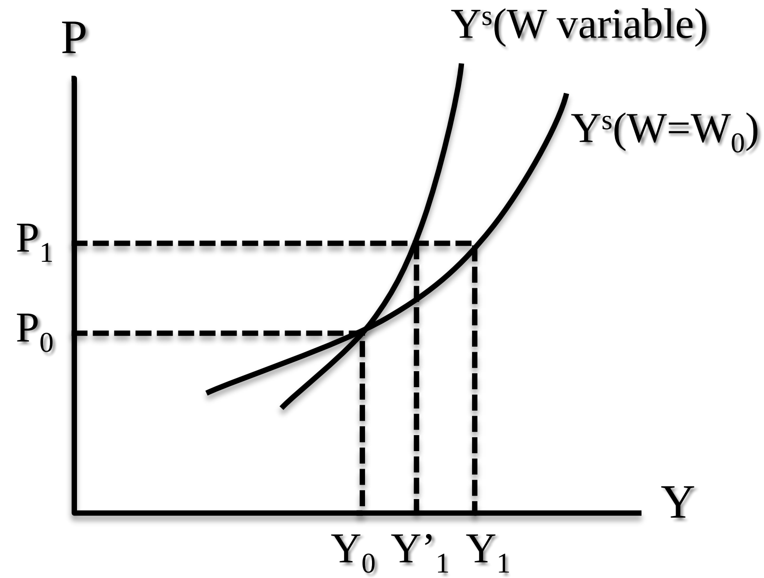
a. Labor Supply and Demand



b. Production Function

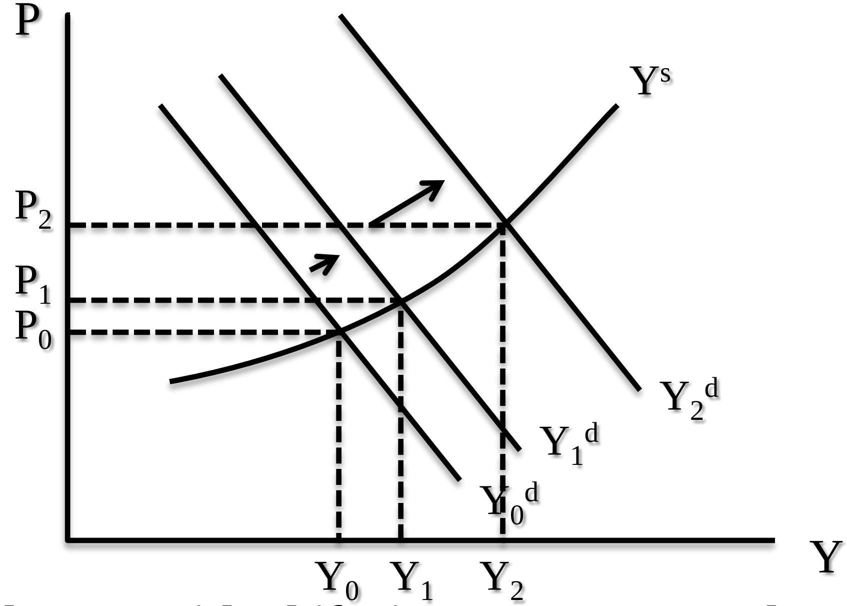


c. Alternative Aggregate Supply Functions

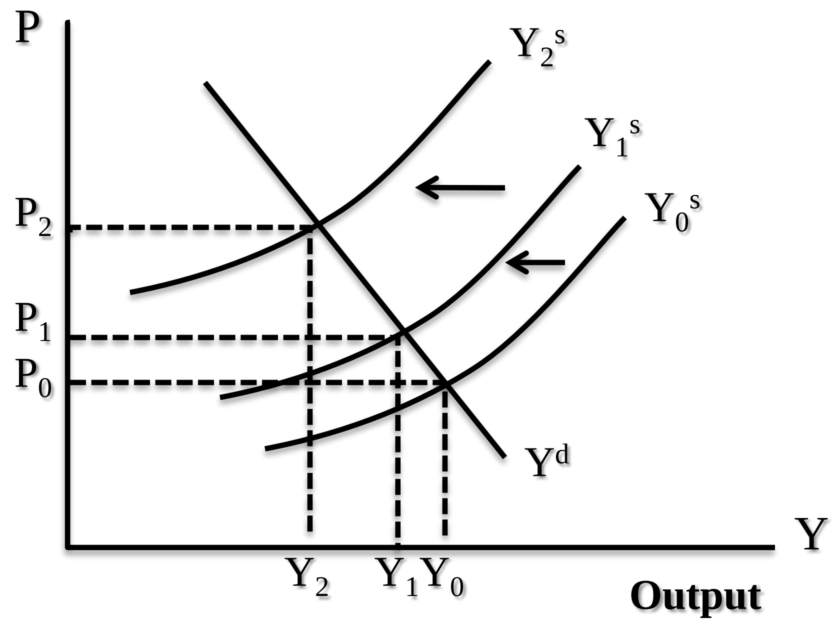


Price and Output Variations with Shifts in Aggregate Demand and Supply

a. Price and Output Variations with Shifts in Aggregate Demand and Supply

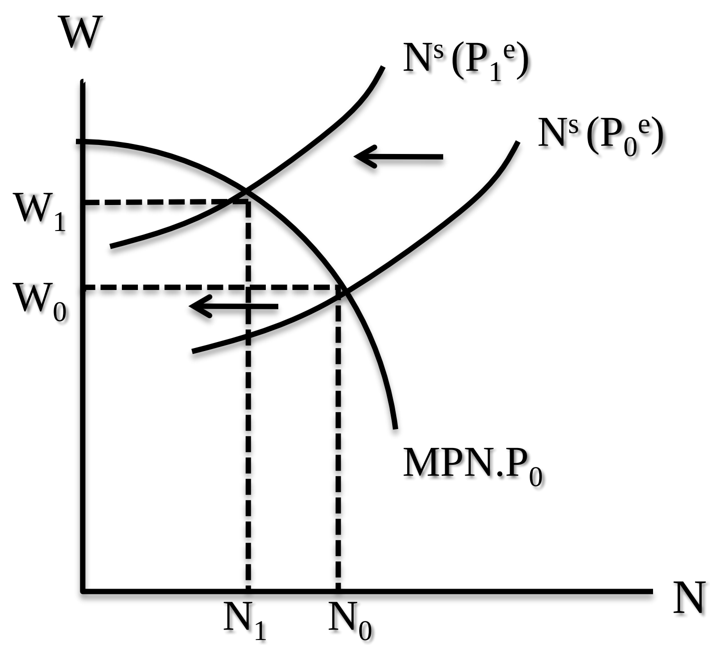


b. Price and Output Changes with Shifts in Aggregate Supply

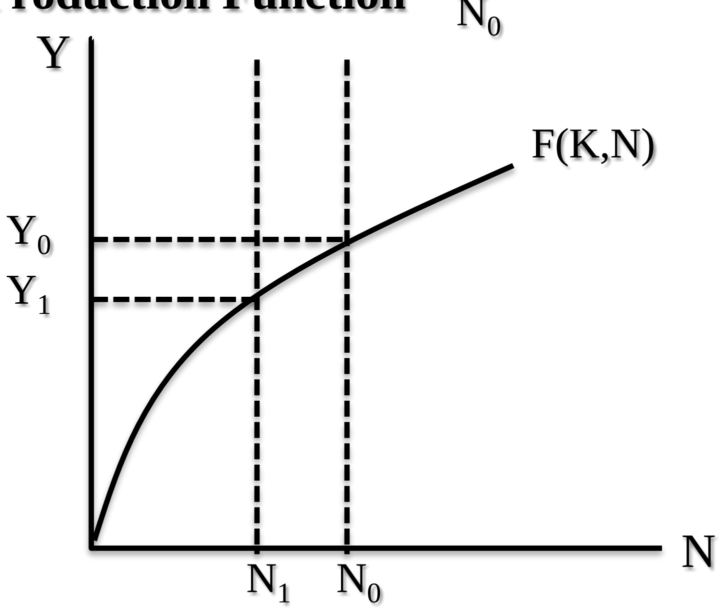


Shift in the Aggregate Supply Schedule with an Increase in the Expected Price Level

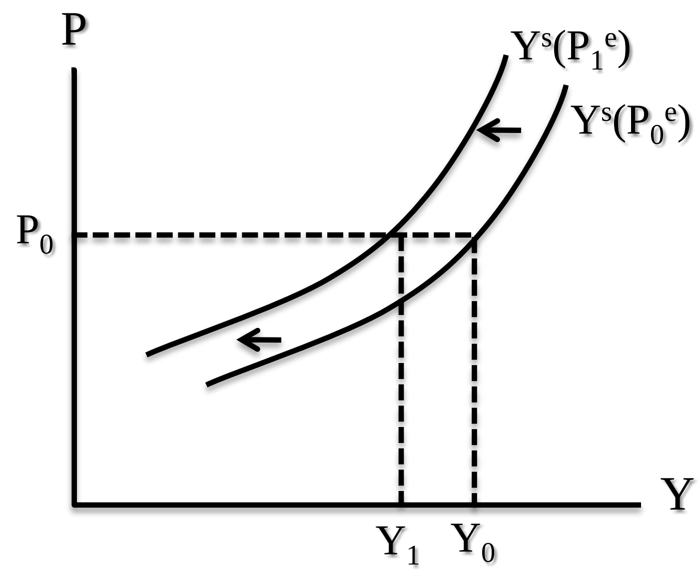
a. Labor Supply and Demand



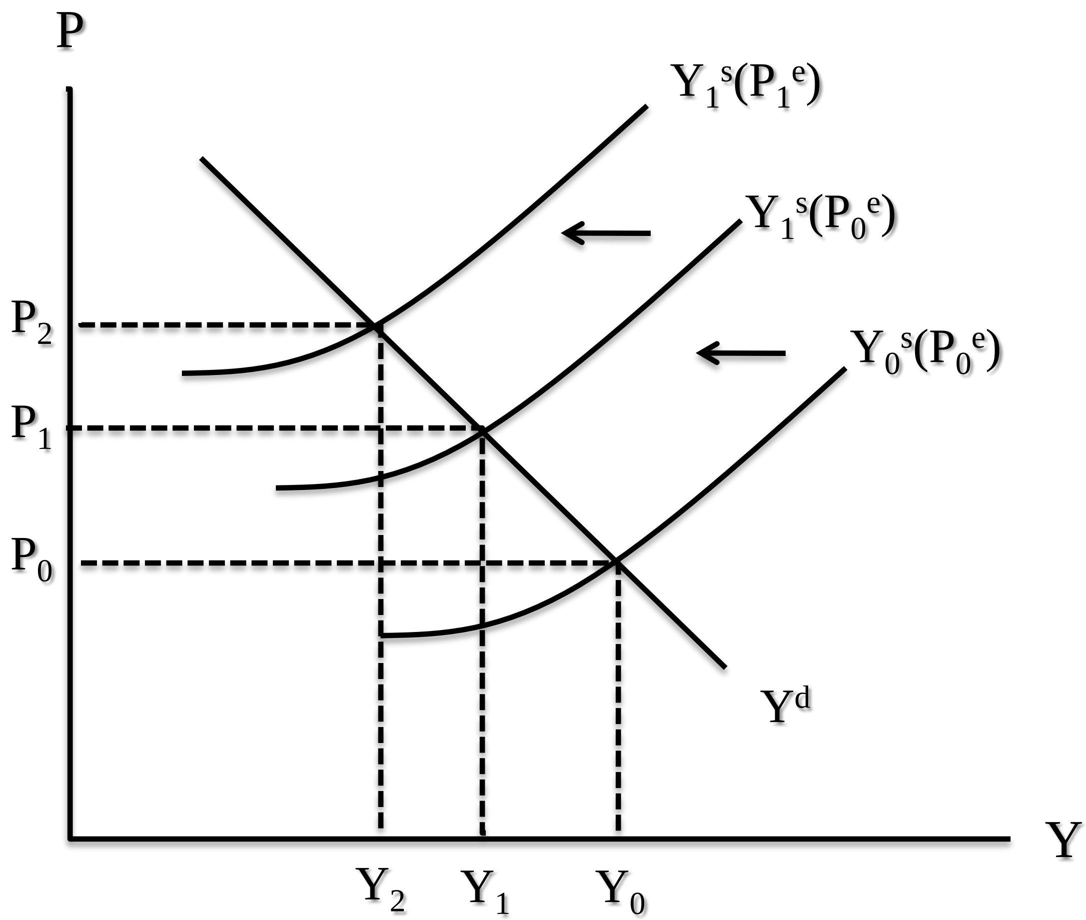
b. Production Function



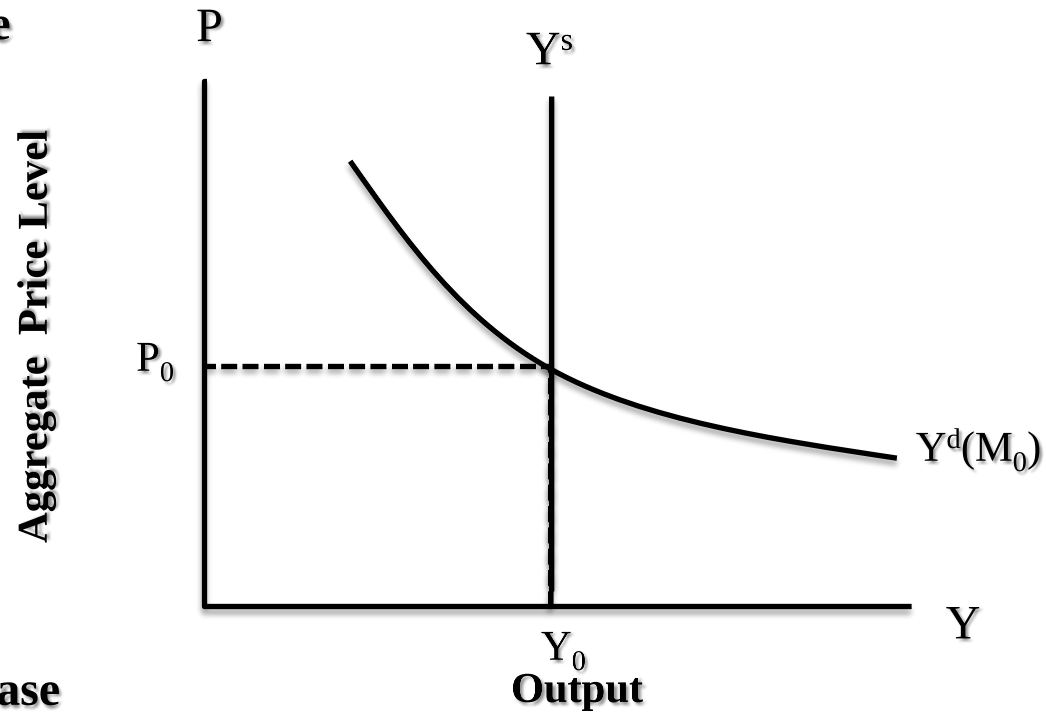
c. Aggregate Supply Schedule



Effects of an Autonomous Increase in the World Price of Energy Inputs



a. Classical Case



b. Keynesian Case