

1) What is Keynesian Economics?

Keynesian economics is a macroeconomic theory of total spending in the economy and its effect on output. Keynesian economics was developed by the British, John Maynard Keynes. This theory is considered a 'demand-side' theory that focuses on changes in the economy over the short run.

2) **Keynes' perspective on Great Depression:** According to Keynes's construction of this so-called classical theory, if aggregate demand in the economy fell, the resulting weakness in aggregate demand would lead to a lower level of inflation and wages would induce employers to make capital investments.

3) **Possible solutions to Great Depression:** That the government spent more money and cut taxes to turn a budget deficit. This would, in turn, lead to an increase in overall economic activity and a reduction in unemployment.

4) **Keynes' perspective on the classical economics:** Keynes said this would not encourage people to spend their money, thereby leaving the economy understimulated and unable to recover and return to a successful state.

5) **What is monetary policy?** The demand-side solution to recessionary periods. The intervention of government in economic processes is an important part of the Keynesian arsenal for battling

6) **Pros and Cons of monetary policy:** The professionals have an advantage. Taxation can be used by fiscal policy to deter negative externalities and the effects of fiscal policy instruments are far more visible than the effects of monetary policy tools. The disadvantage is that it can lead to budget deficits.

7) **What is Economic Growth?** The increase in the inflation-adjusted market value of the goods and services produced.

8) **Alternative theory on saving and economic growth:** As more people begin to save money, economic growth is reduced as the amount of money in the economy decreases. Money is normally in control of the economy's flow.

9) **What is the definition of Economic growth?** In the economy, it is a rise in the production of goods and services.

10) **How does Keynesian economics deal with inflation?** A recession in Keynesian macroeconomics is caused by expansionary fiscal policy that causes to move to the right. Contractionary fiscal policy entails increasing taxes or reducing government spending in order to minimize aggregate demand and inflationary pressure.

11) **The similarities between Keynesian economic and classical economic:** 1) The role of technology in job creation; both parties agree that technology plays an important role in controlling the labor force in the economy. 2) The demand for money. Both concepts emphasize the importance of capital provision and money demand as important determinants of the percentage of interest rate.