

Principles of Economics
Macroeconomics
Administrivia for March
31, 2013

J. Bradford DeLong
Econ 2, Spring 2014, U.C. Berkeley

What We Are Doing This Week

- Read *Essentials*, chapter 14 "Aggregate Demand and Aggregate Supply", 15 "Fiscal Policy". Start chapters 16 and 17: "Money, Banking, and the Federal Reserve" and "Monetary Policy"
- M Mar 31: Aggregate Supply and Aggregate Demand: Summing-Up the Income-Expenditure Framework * Administrivia & Summing-Up the Income-Expenditure Framework
- W Apr 2: Getting to Where We Are * Summing-Up the Income-Expenditure Framework II * Origins of the Lesser Depression
 - Problem Set 4 due: National Income Accounting and the Circular Flow
 - Problem Set 5 out: due April 16, 2014 <<http://delong.typepad.com/sdj/2014/04/econ-2-spring-2014-problem-set-5-draft.html>>
- Section 10:: Problem Set 4 Answers
- Further Reading * Further Further Reading

Paper Assignment

- Final paper assignment:
 - Due at 5 PM Friday, May 9, 2014 * 1500-2000 words * Three choices
- <http://delong.typepad.com/sdj/2014/03/econ-2-spring-2014-uc-berkeley-paper-assignment.html>

Three Paper Choices

- Slee vs. Friedman and Director Friedman: Who was more convincing in providing a moral-philosophical perspective that you can use to frame economics, Tom Slee or Milton and Rose Director Friedman? What do you mean by “better”? Why do you think the one you choose is “better”?
- Dasgupta vs. Krugman and Wells: Who was more useful in providing you with an introduction to economics, Partha Dasgupta or Paul Krugman and Robin Wells? What do you mean by “useful”? Why do you think the one you choose is “useful”?
- Take two of the “further reading” suggestions that have been distributed throughout the semester. Explain: (i) how each of them draws on principles from, or (ii) provides a critical perspective on what has been taught in this course, and (iii) how what each of the two says reinforces or undermines what the other says.

Further Reading

- Alan Blinder, *After the Music Stopped*.
- Paul Krugman (1998): Baby-Sitting the Economy <http://www.slate.com/articles/business/the_dismal_science/1998/08/babysitting_the_economy.html>.
- Joan Sweeney and Richard James Sweeney (1977): Monetary Theory and the Great Capitol Hill Baby Sitting Co-op Crisis <<http://cda.morris.umn.edu/~kildegac/Courses/M&B/Sweeney%20&%20Sweeney.pdf>>

Further Further Reading

- DeLong, Summers, and Ball: Fiscal Policy and Full Employment <<http://delong.typepad.com/sdj/2014/04/brad-delong-larry-summers-and-laurence-ball-wednesday-focus-april-2-2014-over-at-cbpp-full-employment-project-and-the.html>>
- Janet Yellen: What the Federal Reserve Is Doing to Promote a Stronger Job Market <<http://www.federalreserve.gov/newsevents/speech/yellen20140331a.htm>>