Macroeconomics Notesheet by C. Kohn, Waterford WI

Name: Hour Date:

Date Assignment is due: Why late? Score: + ✓ -  
 Day of Week Date If your project was late, describe why

**Directions**: Use the accompanying PowerPoint ([available online](http://bit.ly/cell-resp-notes)) to complete this sheet. This is graded on a + ✓- scale.

1. What is microeconomics?
2. Microeconomics focuses on
3. What is macroeconomics?
4. What is capitalism?
5. Pure capitalism is with only   
     
   determining the
6. The desire for profits
7. What are the two driving forces of capitalism?
8. What is socialism?
9. The government or a public entity in the   
     
   and determines
10. Does socialism mean that democracy is not able to exist? Explain:
11. What problems exist with socialism that prevent it from maximizing economic productivity in many cases?
12. How is communism different from socialism?
13. What is fascism?
14. How does a business succeed or fail in fascism?
15. What is Marxism?
16. What is the problem with Marxism? (think about this one; the answer is in your head, not in your notes):
17. What is a mixed economy?
18. Why is the US considered a mixed economy? Aren’t we capitalism?
19. Macroeconomics focuses on
20. Who was Adam Smith?
21. What are Classical Economics?
22. What is Laissez-faire Economics?
23. What is the Invisible Hand Theory?
24. According to Smith, is more   
      
    in than any
25. Smith believed that   
      
       
      
    coupled with   
      
     would regulated
26. What did Smith believe would happen if the government regulated the economy instead of supply and demand?
27. What did Smith believe would happen to an investor’s willingness to take smart risks if the Invisible Hand regulated markets?
28. This ensures that only are provided   
      
    and that   
      
    If it wasn’t the producer’s at risk, they wouldn’t be as   
      
       
      
    because
29. According to Smith, what is the best thing a government could do to help an economy?
30. What are some things that started happening in the early 1900s that caused people to question whether Adam Smith was always right?
31. While Adam Smith’s ideas ensured , his ideas did   
      
    not necessarily result in
32. Summarize the six reasons why the US became an economic superpower:
33. Why does teenager at McDonalds often provide better service than a college-educated employee at the DMV?
34. What is a Depression?
35. What is a Recession?
36. What is GDP?
37. How does GDP determine if a downturn is a recession or depression?
38. Recessions and Depressions cause   
      
    which reduces   
      
    When individuals don’t have jobs   
      
    When individuals cannot spend money,
39. How is unemployment measured? Write the formula here:
40. How did Adolph Hitler fix Germany’s economy?
41. How did this help Germany’s economy?

1. How did FDR fix America’s economy?
2. How did this help America’s economy?

1. Both Hitler and FDR fixed their economies by
2. What did both FDR and Hitler do that was similar?
3. What was Keynes’ conclusion for how to fix a depression?
4. What is aggregate demand?   
     
   Knowing this, what do you think aggregate supply is?
5. Keynes knew that government revenues would be   
     
   when the tax base of a country is . Keynes believed that any   
     
    incurred by a during a   
     
   or would be once
6. Once an economic depression was , a government could
7. Failure of a government to during a   
     
   would
8. Prior to 1914, the economies of the world operated on the
9. What is the Gold Standard?
10. After 1914, the US left the and
11. Why was leaving the Gold Standard advantageous to the US?
12. What is the benefit of having a strong dollar?
13. What is the disadvantage of having a strong dollar?
14. What is the benefit of having a weak dollar?
15. What is the disadvantage of having a weak dollar?
16. Why did countries devalue their currency during the Great Depression?   
      
       
      
    How did this worsen the Great Depression?
17. What was the purpose of the Bretton Woods Conference?
18. FDR wanted a system that gave   
      
    but the   
      
    FDR needed something like that had but something like the   
      
    \_ that had .
19. List and describe two major outcomes of the Bretton Woods Conference:
20. How did using the US Dollar as the basis for international currency values stabilize world markets?
21. Is the US Dollar still the sole basis of international currency? Explain:
22. US Macroeconomics can be viewed most simply as an ongoing battle to
23. Inflation is
24. Is inflation always bad? Explain:
25. However, too much inflation is because it means that

1. A macroeconomist is worried about   
     
    but not so much that it causes
2. A recession is simply when there is too little to buy   
     
   and due to
3. Inflation occurs when   
     
   meaning   
     
   even if
4. If everyone won a million dollars, how would this impact inflation?
5. Summarize the three tools of macroeconomic policy:  
     
   Fiscal Policy:   
     
      
     
   Monetary Policy:   
     
      
     
   Exchange Rate Policy:
6. How would you end a recession using each of these tools?   
     
   Fiscal Policy:   
     
      
     
   Monetary Policy:   
     
      
     
   Exchange Rate Policy:
7. How would you fix excess inflation using each of these tools?   
     
   Fiscal Policy:   
     
      
     
   Monetary Policy:   
     
      
     
   Exchange Rate Policy:

Unit Wrap-up C. Kohn, Agricultural Sciences - Waterford WI

This page is designed to help raise your grade while enabling you to develop skills you will need for after high   
school. You will need to complete every question and blank in order to receive full credit for your notes. Note: if you cannot come up with a strategy to remember a difficult concept on your own, see your instructor for help.

1. What is a topic or concept from this unit that you found to be more challenging? Write or describe below:  
     
      
     
   In the space below, create a mnemonic, rhyme, analogy, or other strategy to help you remember this particular concept:
2. What is a 2nd topic or concept from this unit that you found to be more challenging? Write or describe below:  
     
      
     
   In the space below, create a mnemonic, rhyme, analogy, or other strategy to help you remember this particular concept:
3. What is a 3rd topic or concept from this unit that you found to be more challenging? Write or describe below:  
     
      
     
   In the space below, create a mnemonic, rhyme, analogy, or other strategy to help you remember this particular concept:
4. Circle the most appropriate response. You will only be graded on whether or not you completed this section.

Circle one: *I used my notes outside of class to prepare for the quiz.* Definitely – Yes – Sort of - No

Circle one: *I took extra notes in the margins for very difficult concepts.* Definitely – Yes – Sort of - No

Circle one: *I created a personal strategy for at least three difficult items.* Definitely – Yes – Sort of - No

Circle one: *I was very involved and actively studying during the quiz review.* Definitely – Yes – Sort of - No

Circle one: *I think I will be satisfied with the quiz grade I received this week.* Definitely – Yes – Sort of - No

Circle one: *I might need to meet with the instructor outside of class.* Definitely – Yes – Sort of - No