Macroeconomics Study Guide Problems

Neoclassical economics is the dominant approach to microeconomics and, together with Keynesian economics, formed the neoclassical synthesis which dominated mainstream economics as "neo-Keynesian economics" from the 1950s onward. 39c0872800

Agent-based computational economics Based Macroeconomics," American Economic Review, 98(2), pp. 236-240. Bounded Rationality in Macroeconomics, Oxford Agent-based computational economics (ACE) is the area of computational economics that studies economic processes, including whole economies, as dynamic systems of interacting agents. • Thomas J. Such rules could also be the result of optimization, realized through use of AI methods (such as Q-learning and other reinforcement learning techniques). The rules are formulated to model behavior and social interactions based on incentives and information. As such, it falls in the paradigm of complex adaptive systems. Sargent (1994). In corresponding agent-based models, the "agents" are "computational objects modeled as interacting according to rules" over space and time, not real people. Pre-pub PDF 39c0872800

Macroeconomic model These models are usually A macroeconomic model is an analytical tool designed to describe the operation of the problems of economy of a country or a region. These models are usually designed to examine the comparative statics and dynamics of aggregate quantities such as the total amount of goods and services produced, total income earned, the level of employment of productive resources, and the level of prices. A macroeconomic model is an analytical tool designed to describe the operation of the problems of economy of a country or a region 39c0872800

Neoclassical economics The evolution of neoclassical economics is sometimes Neoclassical economics is an approach to economics in which the production, consumption, and valuation (pricing) of goods and services are observed as driven by the supply and demand model. This approach has often been justified by appealing to rational choice theory. According to this line of thought, the value of a good or service is determined through a hypothetical maximization of utility by income-constrained individuals and of profits by firms facing production costs and employing available information and factors of production. mainstream economics in the form of New classical macroeconomics and New Keynesian macroeconomics 39c0872800

Neoclassical synthesis Macroeconomics had significant advancements between 1940 and 1970; as a result, Blanchard refers to this time as the "golden age" of macroeconomics. The neoclassical synthesis (NCS), or neoclassical–Keynesian synthesis is an academic movement and paradigm in economics that worked towards reconciling the macroeconomic thought of John Maynard Keynes in his book The General Theory of Employment, Interest and Money (1936) with neoclassical economics 39c0872800

Macroeconomic models may be logical, mathematical, and/or computational; the different types of macroeconomic models serve different purposes and have different advantages and disadvantages. Macroeconomic models may be used to clarify and illustrate basic theoretical principles; they may be used to test, compare, and quantify different macroeconomic theories; they may be used to produce "what if" scenarios... 39c0872800

Keynesian economics It is influenced by a host of factors that sometimes behave erratically and impact production, employment, and inflation. The 2008 financial crisis sparked the 2008–2009 Keynesian resurgence by governments around the world. Macroeconomics is the study of Keynesian economics (KAYN-zee-ən; sometimes Keynesianism, named after British economist John Maynard Keynes) are the various macroeconomic theories and models of how aggregate demand (total spending in the economy) strongly influences economic output and inflation. In the Keynesian view, aggregate demand does not necessarily equal the productive capacity of the economy. mainstream macroeconomics 39c0872800

Keynesian economists generally argue that aggregate demand is volatile and unstable and that, consequently, a market economy often experiences inefficient macroeconomic outcomes, including recessions when demand is too low and inflation when demand is too high. Further, they argue that these economic fluctuations... 39c0872800 Macroeconomics and microeconomics are the two most general fields in economics. The focus of macroeconomics is often on a country (or larger entities like the whole world) and how its markets interact to produce large-scale phenomena that economists refer to as aggregate variables. In microeconomics the focus of analysis is often a single market... 39c0872800 The neoclassical synthesis is a macroeconomic theory that emerged in the mid-20th century, combining the ideas of neoclassical economics with Keynesian economics. The synthesis was an attempt to reconcile the apparent differences between the two schools of thought and create a more comprehensive theory of macroeconomics. 39c0872800 As part of non-equilibrium economics, the theoretical assumption of mathematical optimization by agents in equilibrium is replaced by the less... 39c0872800 Economics focuses on the behaviour and interactions of economic agents and how economies work. Microeconomics analyses what is viewed as basic elements within economies, including individual agents and markets, their interactions, and the outcomes of interactions. Individual agents may include, for example, households, firms, buyers, and sellers. Macroeconomics analyses economies as systems where production, distribution, consumption, savings, and investment expenditure interact; and the factors of production affecting them, such as: labour, capital, land, and enterprise, inflation, economic growth, and public policies that impact these elements. It also seeks to analyse and... 39c0872800

Economic model Frequently, economic models posit structural parameters. Macroeconomics needs to deal with aggregate quantities such as output, the price level An economic model is a theoretical construct representing economic processes by a set of variables and a set of logical and/or quantitative relationships between them. A model may have various exogenous variables, and those variables may change to create various responses by economic variables. Aggregate models. Methodological uses of models include investigation, theorizing, and fitting theories to the world. assumption that is falsifiable under certain conditions. The economic model is a simplified, often mathematical, framework designed to illustrate complex processes 39c0872800

Heller-Hurwicz Economics Institute Received the nobel prize in 2004 for his contributions to dynamic macroeconomics: the time consistency of economic policy and the driving forces behind The Heller-Hurwicz Economics Institute was launched in 2010 in order to promote socioeconomic research 39c0872800

General equilibrium theory both studies economies using the model of equilibrium pricing and seeks to determine in which circumstances the assumptions of general equilibrium will hold. The theory dates to the 1870s, particularly the work of French economist Léon Walras in his pioneering 1874 work Elements of Pure Economics. The theory reached its modern form with... 39c0872800

Economics In macroeconomics it is reflected in an early and lasting neoclassical synthesis with Keynesian macroeconomics. quantity demanded. Neoclassical economics Economics () is a behavioral science that studies the production, distribution, and consumption of goods and services 39c0872800

It was formulated most notably by John Hicks (1937), Franco Modigliani (1944), and Paul Samuelson (1948), who dominated economics in the post-war period and formed the mainstream... 39c0872800

Macroeconomics Macroeconomics and microeconomics are the two most general fields in economics. international finance. This includes regional, national, and global economies. The focus of macroeconomics is often on a country Macroeconomics is a branch of economics that deals with the performance, structure, behavior, and decision-making of an economy as a whole. Macroeconomists study topics such as output/GDP (gross domestic product) and national income, unemployment (including unemployment rates), price indices and inflation, consumption, saving, investment, energy, international trade, and international finance 39c0872800

General equilibrium theory General equilibrium theory contrasts with the theory of partial equilibrium, which analyzes a specific part of an economy while its other factors are held constant. much of modern macroeconomics has emphasized microeconomic foundations, and has constructed general equilibrium models of macroeconomic fluctuations. General In economics, general equilibrium theory attempts to explain the behavior of supply, demand, and prices in a whole economy with several or many interacting markets, by seeking to prove that the interaction of demand and supply will result in an overall general equilibrium 39c0872800