Math practice problems   Econ 310-008

Money Multiplier

1.   MB = 1700, e = 0.07, c = 0.1, r = 0.08.
        What is M?

2.   MB = 6200, c = 0.2, r = 0.26, e = 0.04.
        What is M?

3.   D = 200, C = 20, R = 80.
        What is MB?

4.   D = 280, C = 15, R = 110.
        What is M?

5.   M = 144, MB = 12
        What is m?

Taylor Rule

6.   What should i_{ff} be under the Taylor rule if $y = y_n$ and $\pi = 3$?

7.   What should i_{ff} be under the Taylor rule if $y = 0.8y_n$ and $\pi = 5$?

Keynesian

8.   Marginal propensity to consume is c = 4/5.
        What is the Keynesian tax multiplier?

9.   Marginal propensity to consume is c = 3/8.
        What is the Keynesian government spending multiplier?