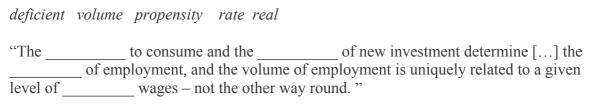
## Course 4: Macroeconomics

Complete the paragraph using: invested grow	th demand involuntary challenged
more thrift and saving lead to more rapid ec assumed. This means assuming the classical any supply of goods and that all saving is a however, is not true according to Keynes. Deveryone that there is not full employment	n, most saving is not being invested (except in
Howard J. Sherman & Gary R. Evans, Ma	croeconomics, New York, Harper & Row, 1984 (pp 229-230)
Define thrift and assumption: The market model of pure competition is base agents of market conditions.  The model tests the hypothesis that spending of the model tests the hypothesis that spending of the model tests the hypothesis that spending of the h	
saving, savings	épargne
the saving(s) rate	le taux d'épargne
the propensity to save	la propension à épargner
(full) employment	(plein ) emploi
unemployment	chômage
voluntary unemp.	chôm. volontaire
involuntary unemp.	chôm. involontaire
Keynesian unemp.	chôm. keynésien
structural unemp.	chômage structurel
frictional unemp.	chôm. frictionnel
natural rate of unemployment	taux naturel de chômage
NAIRU – Non-accelerating inflation rate of unemployment	taux de chômage non accélérateur de l'inflation
Complete the following definitions:	
Complete the following definitions.	
looking of work. 8/ unemployment is caused by 6	smatch of job vacancies with the supply of
change.	
10/ unemployment is due to a la	ack of aggregate demand in the economy.

aggregate demand	demande globale
consumption	consommation
household consumption	consommation des ménages
to consume	consommer
propensity to consume	propension à consommer
disposable income	revenu disponible
consumer goods	biens de consommation finale
consumer durables	biens de consommation durables
durable goods / non-durables	
intermediate goods	biens intermédiaires
Investment / inventory(ies)	Investissement / inventaire(s)
residential investment	investissement résidentiel

## Complete the paragraph using the words:



Keynes, Ch 2, The General Theory of Employment, Interest, and Money.

recession, expansion	
inflation	inflation
deflation	deflation
disinflation	désinflation
to reflate/deflate an economy	relancer/ralentir l'économie
fiscal policy	politique budgétaire
tax policy	politique fiscale
govt. spending / public expenditure	dépenses publiques
money illusion	illusion monétaire
automatic stabilisers	stabilisateurs automatiques
wage « stickiness »	la rigidité des salaires
multiplier	multiplicateur
accelerator	accélérateur
liquidity trap	trappe de liquidité

Provide synonyms for expansion and recession:

## The monetarist critique

Fisher's equation: MV = PT

expectations	anticipations
Rational Expectation Hypothesis	Hypothèse des anticipations rationnelles
crowding out	effets d'évictions
supply-side economics	économie de l'offre
monetary policy	politique monétaire
money supply	masse monétaire
monetary aggregates	agrégats monétaire
narrow money (M0/1)	
broad money (M3/4)	
velocity of circulation (of money)	vitesse de circulation (de la monnaie)

Put the verbs in brackets in the right tense:
The monetarist critique of Keynesian economics (develop) strongly during the 1970s, as inflation rose worldwide.
Its main ideas (centre) on the view that inflation (to be) a monetary phenomenon, resulting from the excessive growth in the money supply. To bring down inflation, the monetary authorities should control the monetary aggregates.
Technically this (turn out) to be harder (say) than done, especially as financial deregulation (lead) to fluctuations in the aggregates and in the velocity of circulation.
More generally speaking, however, the primacy of monetary policy in macroeconomic policy (to be accepted) now widely, while fiscal policy (to be used) no longer to "fine tune" growth.