

## **TUTORIAL 1 - Introduction to Macroeconomics**

- 1) Identify the following topics as either predominantly macroeconomic or microeconomic.
  - (a) Provision by firms of medical benefits for employees
  - (b) The demand for coffee
  - (c) Unemployment
  - (d) The price of a government bond relative to the price of IBM stock
  - (e) Unemployment among economics professors
  - (f) The business cycle
  - (g) Consumption spending by the household sector
  - (h) Rent controls in Kuala Lumpur
  - (i) Inflation
  - (j) The money supply
- 2) Explain what types of policies Keynes recommended when the economy was in: (1) recession and (2) inflation.
- 3) Explain how the "supply side" policy of cutting business taxes could stimulate the economy.
- 4) Briefly explain how the aggregate demand curve is different from the demand curve for a particular good.