

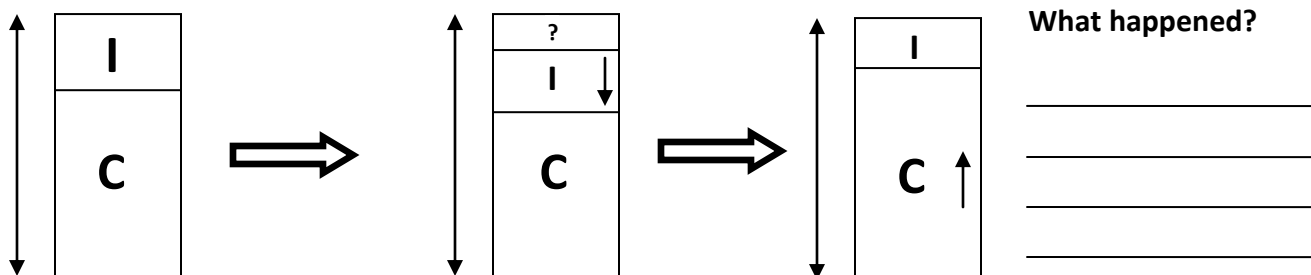
Economics U\$A – John Maynard Keynes

1. Professor Heilbroner states that the metaphor for the economy was wrong. It used to be a rocking boat – what tipped one way, would naturally tip back the other way. *What was the new metaphor that he used? Why was it more accurate?*

2. How did President Hoover's early policies affect the economy?

3. How did the economy react to Hoover's **RFC** spending bill (giving money to businesses)? Why was giving money to businesses not effective?

4. Based on traditional economy theory of GNP (Gross National Product)... how does the economy react to sustain full employment?



How did Keynes critique this view in terms of employment?

5. What was so revolutionary about Keynesian economics? (my homie Richard Gill explains)

6. How could \$1,000,000 in lost worker wages affect the economy in **more ways** that just the direct loss of income?

7. How did Keynes see the following remedied?

