

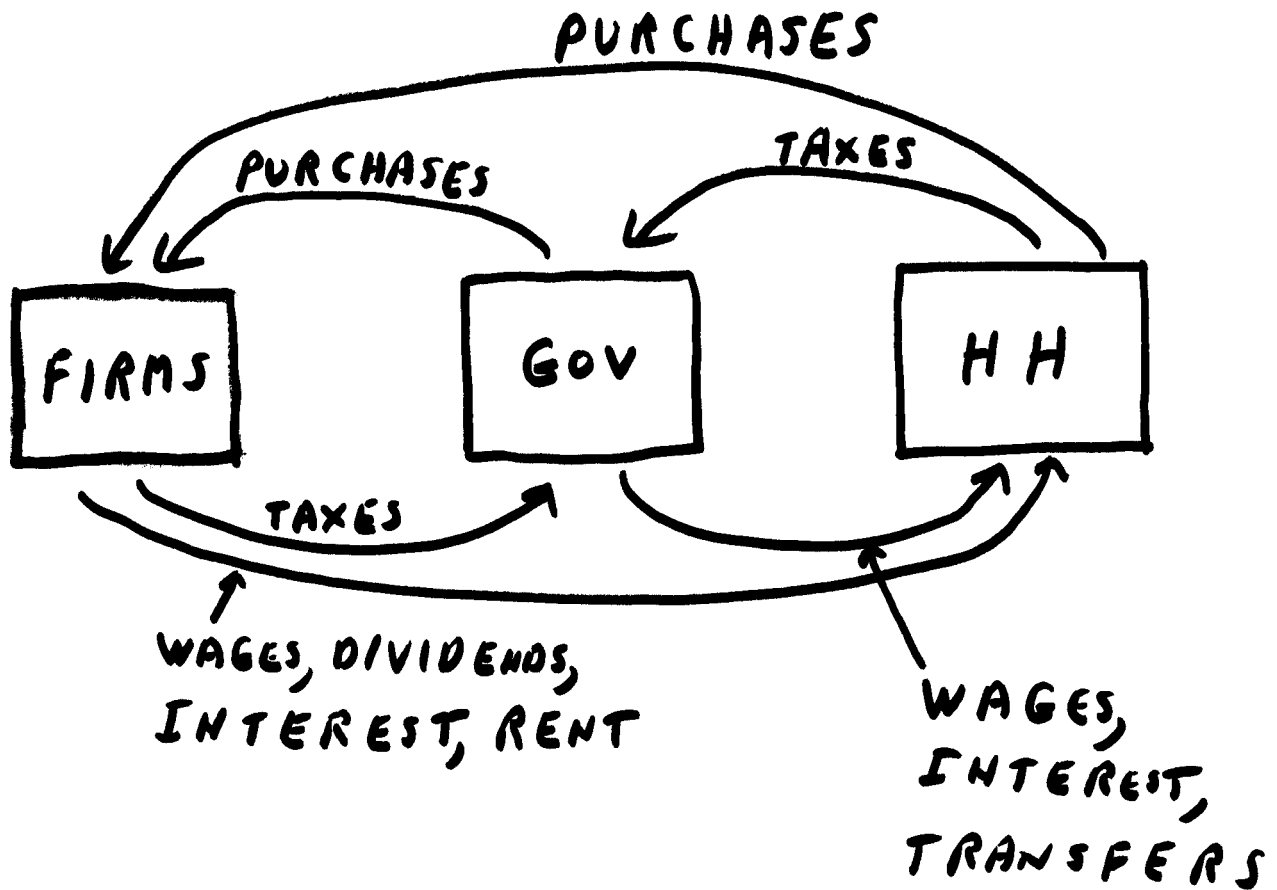
## Questions to Think About

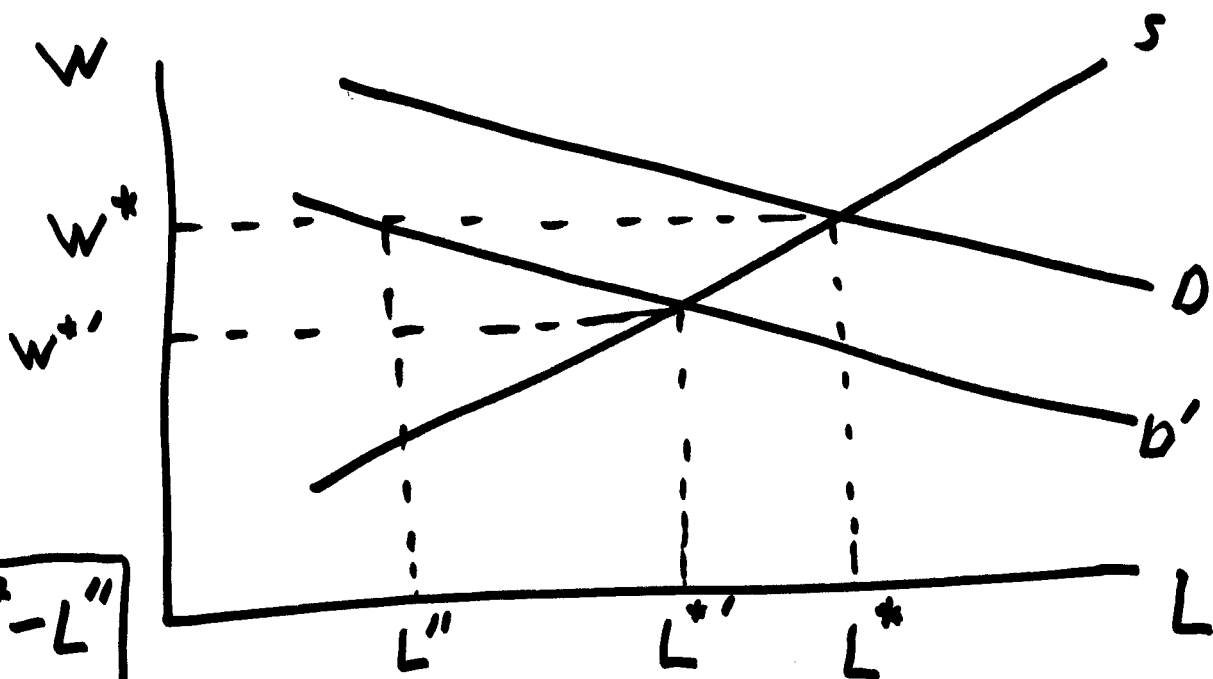
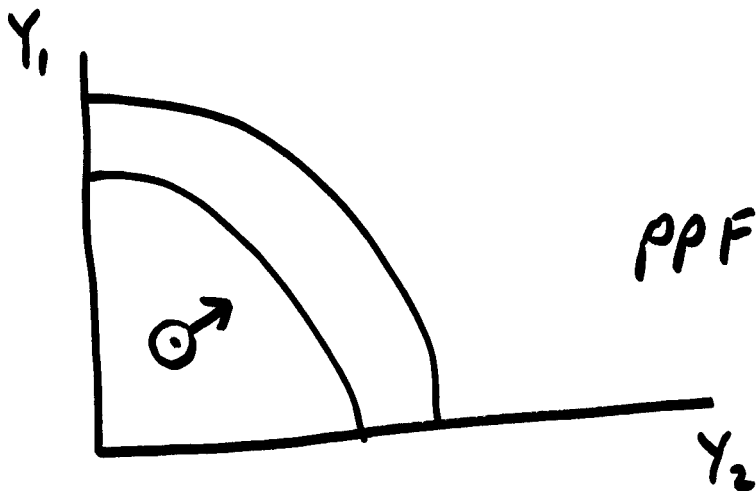
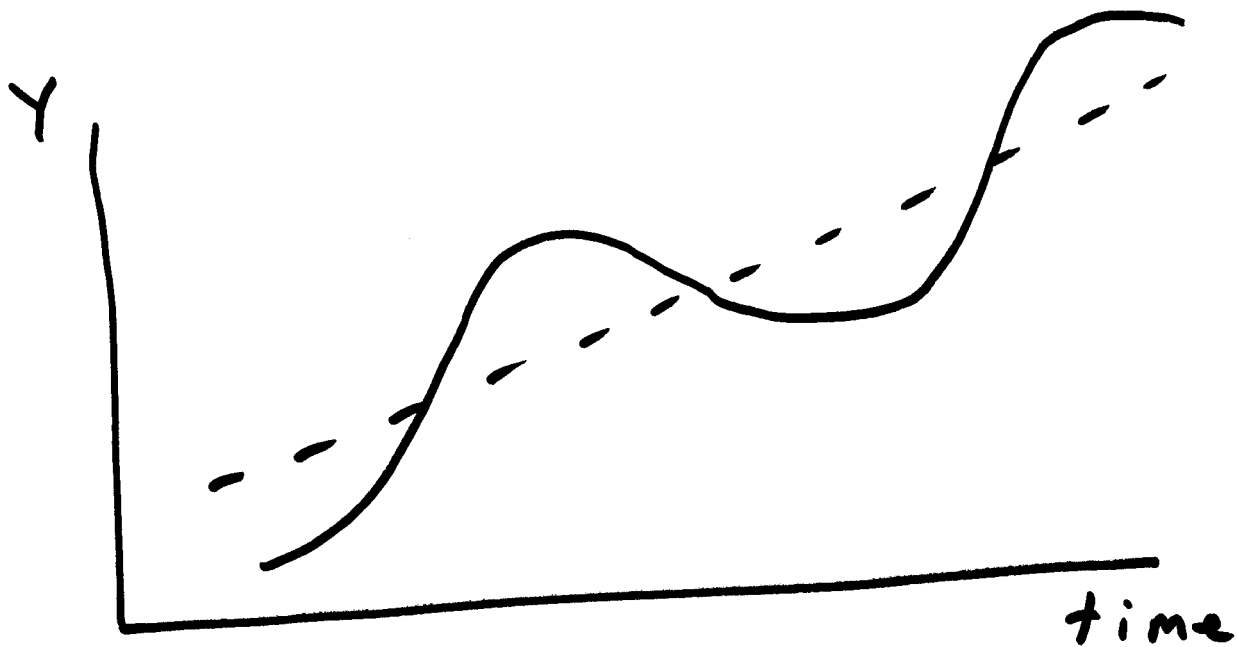
- What led to the 2008–2009 recession?
- How effective were government policies in mitigating the 2008–2009 recession?
- Why was the U.S. economy so strong in the last half of the 1990s?
- Why was the U.S. economy sluggish in 2001–2003 given that fiscal and monetary policies were quite expansive?
- Is inflation likely to be a problem in the future?
- How do government actions affect the U.S. trade deficit?
- How is the U.S. dollar likely to change in the future relative to the euro, the yen, and the yuan?
- Should the U.K. adopt the euro?
- Will becoming a macroeconomist help me make money in the stock market?

Three Markets: Goods, Money, Labor

Three Agents: Households, Firms, Government

Circular Flow Diagram





$U = L^* - L''$