Preparing for the Spring 2016 Macroeconomics/E212 Equivalency Exam

• You will not need a calculator. If you have a laptop, please bring it to the exam; once you have completed the exam directly on your laptop, you will need to email it to lawrence.krohn@tufts.edu. If you do not have a laptop, please complete the exam using the blue books provided to you.

• To pass the exam, students will need to comprehend macroeconomic theory (including national income accounting) and its applications at the intermediate level. Course mathematical requirements are limited to basic algebra; the equivalency exam will reflect this.

• The course is based on selected materials from two intermediate level textbooks, although neither is taken as gospel. They are: Oliver Blanchard and David Johnson, Macroeconomics, Sixth Edition, on macro theory, and Frederic Mishkin, The Economics of Money, Banking and Financial Markets, 10th edition, 2012 on monetary institutions and policy. (The purchase of neither will be required.)

• The E212 equivalency exam will cover the material in Chapters 2 – 5, 6 – 8 (these last three chapters are not covered in as much detail as the textbook; basic understanding only is sought), 9, 14-1, 18 – 19 of Blanchard & Johnson, 6th edition. (Not surprisingly, the same content is covered in other intermediate macro textbooks if you find one more readily available.) The Mishkin material can be found on the course Trunk site, which I have made open to all. Pages for which you are responsible are: On money and inflation (pp. 277 - 299), on central banks (pp. 159-64, 183-84 only), on monetary policy conduct (pp. 218-21, 228-34 only), on transmission mechanisms (pp. 260-65 only)

• Several editions of the Blanchard textbook are available on reserve at Ginn.

• A typical question would ask you to evaluate (agreeing, disagreeing with the whole or individual parts) of statements like:
  - In the aftermath of the 2008 crisis, monetary stimulus has ultimately been largely frustrated in the US and Europe, while fiscal policy effectiveness has been hampered by the strong crowding-out effect, whose impact has been magnified by the liquidity trap into which the US and European economies have fallen.