

Problems – Chapter 11: Dynamics, Expectations and Inflation

Reading Assignment: Our primary focus will be on 11.3: Inflation Unemployment and the Phillips Curve and 11.5: "What should central bankers do?"

Highly Recommended

Time permitting we will also talk about 11.2.2, focusing on Speculation, 11:2.3, Options, Forward Markets and Hedging and 11:2.4 The Stock Market.

Optional: 11:2 Cobwebs; 11.4 Rational Expectations

Exercises:

#3 and #4, page 552

Honors Option.#1 and #2