

## Distance Learning Exercise

The purpose of this exercise is to help students prepare for the remaining classes in the semester and the final exam. The exercise has three parts.

1. Review Midterm Examinations

Students should review the midterm examinations and make a list of the questions on those exams that they still do not understand. They should bring that list with them to the final recitations of the semester and to their final exam study groups. The final exam is comprehensive and will re-test the most important course concepts. Students should plan now to master those concepts that caused them trouble on the midterms.

2. Complete the problems in Chapter 20.

The real rate of interest is a very important concept which students must master in order to understand the model of the macro economy and the various readings presented in the last part of the course. Students should complete 1, 3, 7, and 8 that were assigned for recitation in week 13. In addition, they should complete questions 2, 4, and 9.

3. The final assigned reading for the course is “U.S. Monetary Policy: An Introduction,” which is published by the Federal Reserve Bank of San Francisco and available on the course web page. Students should read this article now to better prepare for the last three course lectures. In addition, students should think about the following question.

“Why has normal Federal Reserve policy been unequal to the task of offsetting the decline in aggregate demand associated with the current recession?”