

ECO 313, Fall 2017

Final

Name:

Instructions: Answer all questions. Concise and thoughtful answers will earn the highest scores. Irrelevance will be penalized. Take a few minutes to carefully read the questions and think through your strategy.

1. Although the financial crisis did not occur until September 2008, firms and households were highly over-leveraged well before then. At what point in time do you think a financial crisis and serious recession became inevitable?

2. Of all the major policies responses to the Great Recession, which was the most successful at reducing its effects on unemployment and inflation/deflation?

