

According to classical economics, if market demand increases, the:

market supply curve ultimately decreases.

According to Keynesian economics, expansionary fiscal policy is designed to:

shift the aggregate expenditures line upward

According to Keynesian economics, the recommended remedy for business-cycle instability is:

fiscal policy.

According to Keynesian economics, the _____ sector is largely the cause of business cycles, while the _____ sector is primarily responsible for stabilizing business cycles.

private, public

Aggregate expenditures and aggregate production are the opposing forces for equilibrium in the theory of:

Keynesian economics.

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