

Principles of Macroeconomics  
Mini Project (Chapter 11)

Instruction: (1) Answer one of the following questions. If you answer both, you earn extra points. (2) You can either type the answer directly, or attach a saved file of your answer.

1. If the economy is in recession, what monetary policies should the Federal Reserve Banks apply? List all three monetary policies and explain why they are the right policies to cure recession. (10 points)
2. If the economy is overheated, what monetary policies should the Federal Reserve Banks apply? List all three monetary policies and explain why these are the right policies to cool down the overheated economy. (10 points)