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1. Set up and solve the GE recursive model with exogenous growth.
    a. Write down the Bellman equation, the utility function, the four constraints.
    b. Write down the modified Bellman equation for the decentralized solution.

2. Show with hand drawing
    a. How the baseline AD-AS changes when you add 2% balanced growth to the baseline model?
    b. How the AD-AS figure with 2% growth changes if you lower the rate of time preference enough so that the return to capital stays at the baseline value of 6%.
    c. How the baseline LD-LS changes when you add 2% balanced growth to the baseline model?

3. What are the three margins of tradeoff in the endogenous growth model?

4. Set up and solve the endogenous growth model with human capital.
    a. Write down the Bellman equation, the utility function, and the constraints.
    b. Compute the first order condition for the three 'decision' variables.
    c. Compute the envelope condition for the two state variables.

5. Set up and solve the model with bonds (Sections 17.2.1 and 17.2.2).

6. What is the equity premium? What is the equity premium puzzle?

7. Explain how adding human capital to the model might explain the equity premium puzzle.

8. Write out a government's wealth constraint.

9. What is Ricardian Equivalence?

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10. What is the transversality condition that underlies Ricardian equivalence?

11. Set up the monetary economy model of section 20.5.
    a. Compute the equilibrium condition for the MRS_{xc}
    b. Derive the Fisher Equation.

12. Why does the interest rate play the role of a consumption tax in the Cash-in-advance version of the monetary model (cash in advance for consumption expenditures)?

13. What was Milton Friedman's recommendation for implementing monetary policy? (the Monetarist policy prescription)

14. What is a monetary policy rule?

15. What is the Taylor Rule?

16. What is a monetary policy regime?

17. What changes in the parameters of a Taylor-type rule might lead to regime changes?

18. When does the Lucas Critique matter? Why do shifts in policy regimes matter?

19. Why do we detrend data before doing business cycle analysis?

20. What are the three properties of business cycles that are measured by the variance covariance matrix of a macro data set?