

Name _____

May 3, 2017

Quiz 23. Chapter 18, Public Finance

1. Set up and solve the model with bonds (Sections 17.2.1 and 17.2.2).
2. Write out the Government's Wealth constraint.
3. What is Ricardian Equivalence?
4. What is the transversality condition that underlies Ricardian equivalence?
5. Explain the advantages and disadvantages of printing money rather than raising taxes to pay for government spending.