

Name _____

May 17, 2017

Quiz 26 Monetarism and Money Supply Rules

1. What was Milton Friedman's recommendation for implementing monetary policy? (the Monetarist policy prescription)
2. How did the Rational Expectation revolution affect the academic consensus about this recommendation? ... policymakers' consensus about this recommendation?
3. Why do we detrend data before doing business cycle analysis?
4. How did the Kydland Prescott (1982) paper affect the academic and policymaker consensus about monetary policy.
5. What is a monetary policy rule?