

FC/DC and MACROECONOMY (Ch 20)

A. X, M and FC/DC

1. X, M and Prices, GDP
2. X, M and dc/fc
3. Effects of fc/dc on AD, AS

B. FC/DC and Financial Flows

1. Interest Rates (r)
2. r and fc/dc

C. FP, MP in an Open Economy

1. FP, MP Effects on GDP
2. Trade-offs in SR and LR
3. Policy Choices

D. LINKAGES: DOMESTIC AND FOREIGN SECTORS

1. Linkages
2. Implications for Domestic, Foreign Sectors
3. Remedies

E. OUTLOOK FOR US