

"The main purpose in studying economics is to avoid being fooled by economists." -Joan Robinson

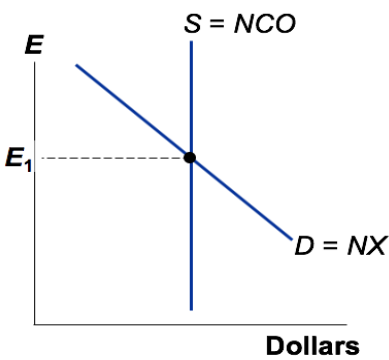
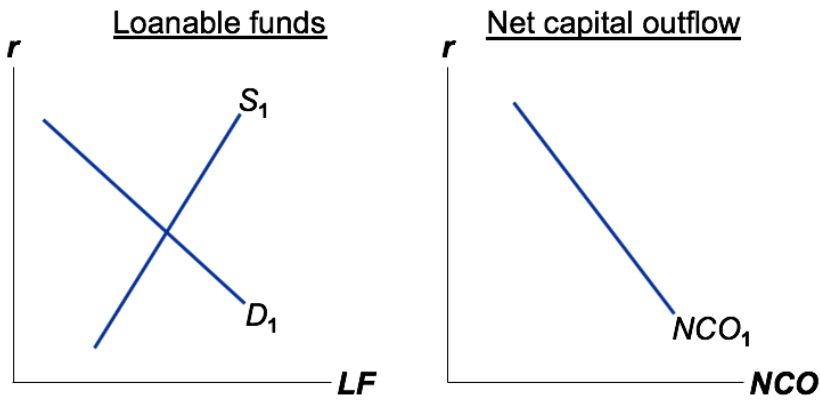
ECO 300 Macroeconomic Theory
11/29-12/04/2018 in-class activity- Government debt & Budget deficits

Name _____

Consider a tax cut with corresponding increase in the government debt.

Two viewpoints:

1. Traditional view



2. Ricardian view

