

BRIEF CONTENTS

Introduction 1

- Chapter 1 **A Tour of the World** 3
Chapter 2 **A Tour of the Book** 19

THE CORE 39

The Short-Run 39

- Chapter 3 **The Goods Market** 41
Chapter 4 **Financial Markets** 59
Chapter 5 **Goods and Financial Markets:
The IS-LM Model** 79

The Medium Run 103

- Chapter 6 **The Labor Market** 105
Chapter 7 **Putting All Markets Together.
The AS-AD Model** 125
Chapter 8 **The Phillips Curve** 149
Chapter 9 **Inflation, Activity, and
Money Growth** 167

The Long Run 187

- Chapter 10 **The Facts of Growth** 189
Chapter 11 **Saving, Capital Accumulation,
and Output** 205
Chapter 12 **Technological Progress and
Growth** 227
Chapter 13 **Technological Progress, Wages,
and Unemployment** 249

EXTENSIONS 265

Expectations 265

- Chapter 14 **Expectations: The Basic Tools** 267
Chapter 15 **Financial Markets and
Expectations** 287

- Chapter 16 **Expectations, Consumption, and
Investment** 309
Chapter 17 **Expectations, Output, and Policy** 327

The Open Economy 341

- Chapter 18 **Openness in Goods and Financial
Markets** 343
Chapter 19 **The Goods Market in an
Open Economy** 361
Chapter 20 **Output, the Interest Rate, and the
Exchange Rate** 381
Chapter 21 **Exchange Rates: Adjustments, Crises,
and Regimes** 399

Pathologies 423

- Chapter 22 **Pathologies I: High Unemployment** 425
Chapter 23 **Pathologies II: High Inflation** 447
Chapter 24 **Pathologies III: Transition in Eastern
Europe, and the Asian Crisis** 463

BACK TO POLICY 481

- Chapter 25 **Should Policy Makers Be
Restrained?** 483
Chapter 26 **Monetary Policy: A Summing Up** 501
Chapter 27 **Fiscal Policy: A Summing Up** 517

EPILOGUE 537

- Chapter 28 **Epilogue: The Story of
Macroeconomics** 537
Appendix 1 **An Introduction to National Income and
Product Accounts** A1
Appendix 2 **A Math Refresher** A6
Appendix 3 **An Introduction to Econometrics** A10
Glossary **G1**
Index **I-1**