Contents

1	Introduction	1
2	Walrasian economy	7
3	Firms as market participants	18
4	Households as market participants	39
5	Summarizing the behavior and constraints of firms and households	64
6	The simple neoclassical macroeconomic model (without government or depository institutions)	78
7	Empirical macroeconomics: traditional approaches and time series models	96
8	The neoclassical model	116
9	The "Keynesian model" with fixed money wage: modifying the neoclassical model	130
10	The Lucas model	146
11	Policy	167
12	Open economy	186
	Notes References Index	202 223 228