

# Macroeconomics

## *for Emerging East Asia*

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### 9. Models of Equilibrium and Disequilibrium

A. Classical School

B. Income–Expenditure Model

*Consumption function and planned expenditures*

*Persistence of unemployment*

*Demand stimulus policies*

*The multiplier*

C. Aggregate Demand / Aggregate Supply Model

*Aggregate demand*

*Aggregate supply*

*Recession*

*Demand stimulus policies*

D. IS-LM Model

*Marginal efficiency of capital and the IS curve*

*Liquidity preference and the LM curve*

*Equilibrium in income and the interest rate*

*External balance and the Mundell-Fleming extension*

E. Evolving Schools of Thought

Data Note

Bibliographic Note

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