Eco 352   Eshragh Motahar
SEMINAR: CONTEMPORARY PROBLEMS IN MACROECONOMICS   Winter 2026

Examination Guidelines
Subject Area 1

There will be two Examinations, one for each of the two subject areas. Here are detailed guidelines for the **first exam**. You will have 55 minutes for this exam. Time management is part of the exam, and of the educational process.

There will be 3 questions, as follows:

1. Textbook, assigned chapters & *Packet 2026*, pages 10-14 [30 points]
2. Group 2 [15 points]
3. Groups 1 and 3 combined [55 points]

Some tips/sample questions

Note that, inevitably, *there will be some overlap among the questions*. Also, below are *sample questions*. In practice, I may devise a question that is, say, a combination of b and c in Group 3. Or, indeed, the wording may be different. So, do not expect to get a question which is exactly worded as in, say, Group 2, a. Moreover, for textbook questions, I may add a few things that we will have done in class.

1. **Textbook**
    a. Question 3, p. 215.
    b. Questions 9 and 10, p. 238.
    c. Questions 2, 6, and 8, pp. 258-259.

2. **Group 2**
    a. What is the "productivity-pay gap" phenomenon, and what are some of the factors that explain it? What is meant by "moral policy"?

3. **Groups 1 and 3 combined**
    a. What are some of Stiglitz's arguments, plus what are some of the issues related to inequality and growth, and/or environmental issues and growth?
    b. What are the assessments of the potential effects of COVID-19 on economic growth?
    c. Advances in AI have led to overoptimistic assessments like "it can be great not only for companies but for humankind." However, many concerns have been raised; e.g., the implications of AI for growth and productivity, inequality, the environment, etc., remain uncertain. Briefly summarize the concerns, and policy measures proposed to achieve some of the optimistic goals.

The exam will start at 1:55 PM on January 22 in our regular classroom. Please make sure to bring a calculator and a ruler with you. I will give you a printout of [1] and [1E]. After the exam, we will take a 10-minute break and then resume class.

Please note that the answers to end-of-chapter *Questions and Problems* in the Blanchard textbook are available on Nexus.