**How well can you draw and use macro diagrams**

Draw a diagram for each of the following and explain the types of questions you would use it in answering.

1. Economic cycle
2. Circular flow of income
3. Short run economic growth
4. Long run economic growth
5. Negative output gap
6. Positive output gap
7. Equilibrium national income
8. Effect of supply side shock
9. Effect of demand side shock
10. Keynesian LRAS
11. Classical/real wage unemployment
12. Demand deficient/cyclical unemployment
13. Demand pull/cost push unemployment
14. Deflationary pressure
15. Good/bad deflation
16. Effect of the multiplier
17. Natural rate of unemployment
18. Short run Phillips curve
19. Expectations augmented Phillips curve
20. Effect of supply side policies
21. Effect of demand side fiscal policy
22. Effect of monetary policy
23. Use of protectionist policy
24. Fixed exchange rate
25. Floating exchange rate
26. Effect of exchange rate on BOP
27. Effect of depreciation/devaluation on current account
28. Absence of a trade-off in achieving macroeconomic objectives
29. Laffer curve