1. Chapter 10, Problems and Applications (5 points): #3, #4
2. Chapter 11, Problems and Applications (10 points): #2, #5
3. Chapter 11, “Made up problem”- the Stimulus Package (10 points):
   - Assume that the natural level of output for the US economy in 2009 was $15.7 trillion (in 2009$). Also, assume that the marginal propensity to consume is 0.8.
   
   (a) What was GDP in 2009?
   (b) If the government wishes to get GDP back to its natural level, how big should the stimulus package be?
   (c) Some of Obama’s advisors measure the multiplier on government spending as being 1.57. Given this, how much should the government be spending?
   (d) How big was the stimulus package? Was it closer to your answers for part “b” or part “c”?
4. Chapter 12, Problems and Applications (15 points): #1, #3, #7
5. Chapter 13, Problems and Applications (10 points): #1, #3,
6. BONUS: Chapter 13, Problems and Applications #7 (5 points)