



**College of Business Administration
Department of Economics
Aggregate Economic Conditions & Analysis
Lecturer: O. Mikhail
ECO 6206-0001
Spring 2002**

Assignment VI

Due February 26, 2002

Question I:

Describe the effect on the economy using the market-clearing model of a proportional permanent negative shift to the production function.

Question II:

Describe the effect on the economy using the market-clearing model of a change in the real transaction cost of holding money.