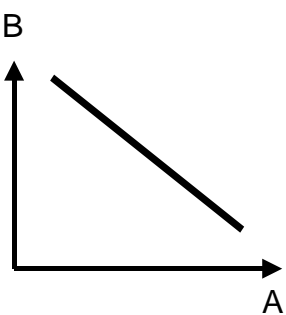
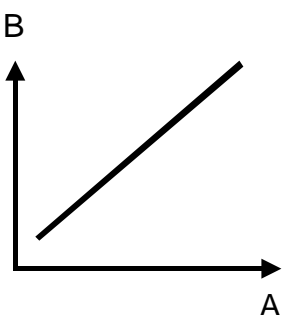
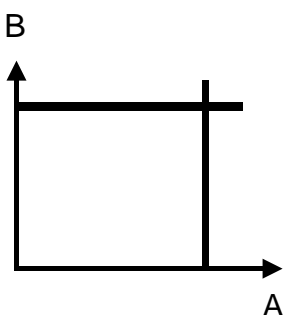
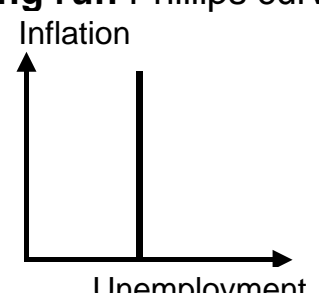


# Objectives and Policies

## 1 Macroeconomic objectives

11 Price stability	12 Economic growth	13 Full employment
no or modest inflation	increase in GDP	no or little unemployment

## 2 Relations between objectives A and B

21 Conflict	22 Harmony	23 Neutrality
If A is achieved, B is damaged.	Both A and B can be achieved.	There exists no relation between A and B.
		
Example: Price stability vs full employment (Phillips curve)	Example: Economic growth and full employment	Example: <b>Long run</b> Phillips curve 

## 3 Macroeconomic policies to achieve objectives

31 Fiscal policy	32 Monetary policy
Change in government spending (G) or in taxes (T)	Change in money supply