You have **10 minutes** to answer the following questions. Please show all your work and circle your final answers. NO CALCULATORS.

1. How fast did our GDP grow in the third quarter? What is so breath taking about this news?

2. Define $Y^*$. (Hint: this is a long-run concept)

3. Define expansionary gap as an inequality.

4. Define recessionary gap as an inequality.

5. Assume that you’re the only economist in the world. If we were in a recession, then what would you do about it?