

St. Cecilia's Public School
Documentary on Classical's Vs Keynesian Economic theories
Date: 5.07.2024
Class: XI and XII Commerce

A documentary on the fundamental differences between Keynesian and Classical economic theories, two of the most influential schools of thought in economics was shown to the students of XI and XII Commerce on 5th of July 2024. The aim was to show them how these theories propose different solutions to economic challenges and their implications for government policy.

The documentary explained Classical economics as a theory that emphasizes free markets and minimal government intervention. It focuses on the idea that markets are self-regulating, and that supply and demand naturally bring the economy to equilibrium. Classical economists, such as Adam Smith and David Ricardo, believed that the economy would correct itself in the long run, without the need for government interference.

In contrast, Keynesian economics, developed by John Maynard Keynes, is presented as a response to the failures of Classical economics, particularly during the Great Depression. Keynes argued that active government intervention is necessary to manage demand and stabilize the economy. The theory emphasizes the importance of government spending, especially in times of recession, to boost aggregate demand and reduce unemployment.

The film provided examples from history where each theory was applied, showing how Keynesian policies helped revive economies during crises, while Classical ideas remained influential in periods of stability.

The documentary concluded by noting that while both theories have their strengths, their application depends largely on the economic context. Classical economics may work well in stable times, but Keynesian intervention is often crucial during economic downturns. The film leaves viewers with an understanding that modern economic policy often draws from both schools of thought, depending on the situation.

The students were also shown an innovative Rap battle that brings the complex world of economic theory to life through music and storytelling. The video dramatizes the debate between two of the most influential economists of the 20th century.

Presentation of these ideas in the form of a documentary and a video made economics accessible and interesting for our young Cecilian's. It was a great learning experience and was thoroughly enjoyed by them.