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Part II contains three papers by Duncan Foley, by L. Broze, C. Gourieroux, and A. Szafarz, and by Albert Marcet and Thomas Sargent. They deal with such topics as endogenous investment cycles, speculative bubbles in a partial equilibrium model of the market of a storable good, and least-squares learning in a model that allows hyperinflation. These papers contain interesting material, particularly the paper by Marcet and Sargent, which shows that the dynamic stability properties of a stationary equilibrium can change dramatically if agents are assumed to employ a learning mechanism rather than to have rational expectations. The papers are not, however, more than peripherally related to each other or to the other papers in the book.

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