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August 10, 2016

**Abstract**

In this paper, we set up a two-sector Keynesian model of business cycles by disaggregating the macro economy into two sectors - the consumption good sector and the investment good sector - and examine the stability of the unique equilibrium of the model and the possibility of a periodic orbit being generated. Also, we perform a numerical simulation to check that a periodic orbit actually exists. Keywords: Business cycles; Keynesian economics; Two-sector models

JEL classification: E12; E32; E37