

All parts of the assignment will be turned in at the end of the lab. Place your name on the back of this sheet of paper and nowhere else. Staple your answers on the front of this sheet of paper. Failure to follow these directions will cost you 10 points. Turn in the Excel file via Canvas. Place your name on an otherwise blank page of the Excel file. Your assignment will be typed, except graphs can be drawn by hand and mathematical equations can be done by hand. Failure to type it will cost you 10 points. If you use double-sided printing or print on the back of scrap paper, I will give you one additional point.

Remember, have your answers to all questions, except for the last one, all ready to print when you come to class on Friday.

1) (10 points) Which part of my web page, <http://www.WCsaplárJr.info> do you think will be most helpful? Why? Is anything missing that you would like to see? What is the URL for the first exam from this class during the last semester it was taught? If you were a Managerial Economics major, then what *comps* would you take on the Tuesday morning of *comps* week?

3) (10 points) What is the difference between *currency* and *timing*? Why do we need both of them?

4) (10 points each) For each of the variables below, determine if it is normally a leading, lagging, or roughly coincidental indicator. Also determine if it is normally pro-cyclical, counter-cyclical, or acyclical. Explain the economic reasons for both parts.

- A) Average duration of unemployment
- B) Initial claims for unemployment benefits
- C) Employees on non-agricultural payroll
- D) Inventory investment

5) Suppose the economy is described by  $C_t = 100 + .8((Y_t + Y_{t-1})/2 - T_t)$ ,  $T_t = .2Y_t$ ,  $I_t = \frac{1}{4}Y_t$ ,  $G = 800$ ,  $NX_t = 200 - .09Y_t$ . Use these equations to answer this question.

A) (25 points) Use the system of equations to solve for  $Y$  as a function of exogenous variable(s) and parameters.

B) (15 points) Put the equations into an Excel spreadsheet. Use it to find the GDP for the next 60 years if last year's GDP was \$3400. Use the Excel spreadsheet to find both the long-run government spending multiplier and the short-run government spending multiplier if government spending went up by \$10. Do this for both temporary and permanent changes of \$10.