Wilfrid W. Csaplar Jr., Ph.D. Economics 350 Exam #1 2003/09/17

Write your name on the cover of the test booklet, on worksheet #7 of the computer file you submit to me, and nowhere else. Enclose this sheet with the booklet. E-mail the Excel file to me at my Bethany account, wcsaplar@bethanywv.edu. Failure to follow these directions will cost you 1 point. The test has 100 points (to be scaled up to 170 points) and is scheduled to take 50 minutes. Therefore, expect to spend 1 minute for every 2 points. For example, a 16-point question should take 8 minutes. However, you will be allowed the full two hours of the lab time.

1) (8 points) Define EITHER frictional unemployment OR Gini coefficient.

2) (10 points) Give me an example of EITHER a real-time variable OR a low-frequency variable. BRIEFLY explain why that variable fits that category.

3) (10 points) Do EITHER part A OR part B.
A) If the spot exchange rate is 11 Dinar/US$ and the forward rate is $10 Dinar/US$, then which country's currency is expected to appreciate? Explain your logic.
B) What is the prime rate? Why is it important?

4) (16 points) Use the table on sheet #1 of the data set to calculate EITHER the current account OR the capital account. Briefly explain your calculation.

5) (16 points) Do EITHER part A OR part B.
A) Use the table on sheet #2 of the data set to explain what the red numbers represent.
B) Use the table on sheet #3 of the data set to explain what the red numbers represent.

6) (20 points) On the desktop of your computer is a data file called, "350exam." Use sheet #4 of this file to calculate EITHER the real GDP in 2002 using 1997 dollars OR the CPI for 2002 using 1997 as the base year. Make sure the equations used are saved on your computer file.

7) (20 points) On the desktop of your computer is a data file called, "350exam." Use it to do EITHER part A OR part B.
A) Use sheet #5 to calculate the PSI for the time periods for which it can be calculated. What is the economic interpretation of the first number in that column?
B) Use sheet #6 to calculate the seasonally adjusted sales for the time periods for it can be calculated. What is the economic meaning of the first entry in the ASI column?