

Do not write your name on the assignment. Write your name only on the back of this sheet of paper and staple your answers on the front of this sheet of paper. Your assignment will be typed, except graphs can be drawn by hand and mathematical equations can be done by hand. The Excel file will be handed in via Moodle. Your name will only appear on a page of the file that has nothing else on it. Failure to follow these directions will cost you 1 point on the assignment and failure to type it will cost you 10 points.

- 1) (10 points) Are checking accounts assets or liabilities to banks? Why?
- 2) (20 points) Explain why an increase in the currency-deposit ratio will cause both an increase and a decrease in the money multiplier.
- 3A) (10 points) Use the money multiplier to explain how an increase in the discount rate is supposed to change the money supply. (Note, this answer disagrees with the table on page 537 because it is how the change is supposed to occur. However, things do not occur the way they are supposed to occur.)
- 3B) (10 points) Explain how an increase in the discount rate really affects the money supply.

The questions below refer to the spreadsheet “lab” on the Excel file “[Weeks8-9.xls](#)”

- 4A) (40 points) Calculate the columns *Centered Moving Average*, *Preliminary Seasonal Indicator*, *Average Seasonal Indicator*, *Revised Seasonal Factor*, and *Total Seasonal Factor*.
- B) (10 points) If the company sales of \$600 in November of this year, what would the seasonally adjusted amount be? If the company did \$15,000 of sales this year, how much would you expect to be sold in June? For both questions in Part B, do the calculation directly on the spreadsheet.