

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.

All questions, except #1, should be done before the laboratory.

- 1) Use the page on the [Excel Sheet](#) entitled *Lab* to answer this question.
  - A) (5 points) Use the *same value* method to forecast until the year 2030.
  - B) (5 points) Use the *same change* method to forecast until the year 2030.
  - C) (5 points) Use the *same percent change* method to forecast until the year 2030.
  - D) (5 points) Use the *12-period moving average* method to forecast until the year 2030.
  - E) (5 points) Use the *5-period weighted moving average* method to forecast until the 2030.
  - F) (15 points) Plot the five results from Parts A - E on one graph on a separate sheet in the Excel file.
  - G) (10 points) Which method would be best for forecasting GDP? Explain your logic.
  - H) (10 points) Which method would be best for forecasting inflation? Explain your logic.
  
- 2) (25 points) Explain the efficiency wage argument for rigid wages. Why might it apply in Microeconomics but not Macroeconomics?
  
- 3) (15 points) Explain why monopolistic competition may explain price rigidity.