Wilf Csaplar Jr. Economics 350 Homework #4 Due 10/03

Do not put your name anywhere on the assignment, other than on the back of this sheet of paper. Staple your answers on the front of this sheet of paper. Hand the Excel file in via Moodle. Your name should appear only on a blank sheet of the file. Failure to follow these directions will cost you 1 point. 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 do double-sided printing or print on the back of scrap paper, I will give you one additional point.

Question #2 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 end of the season.
B) (5 points) Use the *same change* method to forecast until the end of the season.
C) (5 points) Use the *same percent change* method to forecast until the end of the season.
D) (5 points) Use the *4-period moving average* method to forecast until the end of the season.
E) (5 points) Use the *4-period weighted moving average* method to forecast until the end of the season.
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) (15 points) Explain why monopolistic competition may explain price rigidity.

3) (25 points) Explain the efficiency wage argument for rigid wages. Why might it apply in Microeconomics but not Macroeconomics?