Wilf Csaplar Jr.   Economics 350   Homework #1   **Due Friday 08/26**

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 1 point. Turn in the Excel file via Moodle. 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.

This is the only assignment without any computer work. Therefore, the whole assignment must be written and printed before you arrive in class on Friday.

1) (10 points) Which part of my web page, http://mysite.bethanywv.edu/wcsaplar/ 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?

2) (10 points) Which part of the Department of Economics and Business's web page, http://www2.bethanywv.edu/econ/ do you think will be most helpful? Why? Is anything missing that you would like to see? If you were a sophomore Business major, then what courses does the departmental web page suggest you be taking this semester?

3) (15 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) Ratio of consumer debt to personal income.
B) Rate of change of consumer debt.
C) Personal income less transfer payments.
D) Average work week in manufacturing.

5) (10 points) Stock prices have gone down this past month, and the economy has been in a cyclical upswing. What is the probability we are entering a double-dip recession? Explain your logic.

6) (15 points) Suppose the economy was in a cyclical contraction and the initial unemployment claims decreased for three months. What would that tell you about the economy? Explain your logic. Why does "initial unemployment claims" have an asterisk indicating the series is inverted?