

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 with your name on an otherwise blank sheet. 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.

The following questions are to be done before the lab.

1) (15 points) Draw the supply and demand for the US\$ with the British pound (£) as the other currency. Draw a fixed exchange rate which is too low. What must the Fed do on the foreign exchange market? Explain why they must do that.

2) (25 points) Draw the diagram which shows the fundamental and official exchange rates as a function of M. Explain why the lines take their shapes and why that means the central bank cannot control both the money supply and the exchange rate.

3) (10 points) “Bank deposits at the Fed” are on different sides of the balance sheets for the Fed and for banks. Explain why it is where it is.

This question refers to the spreadsheet “Lab” on the Excel file “[lab8.xlsx](#).”

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 \$300,000 in the fourth quarter of this year, what would the seasonally adjusted amount be? If the company did \$600,000 of sales this year, how much would you expect to be sold in the fourth quarter? For both questions in Part B, do the calculation directly on the spreadsheet and type an explanation of what you did.