

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. Failure to follow these directions will cost you 1 point on the assignment and failure to type it will cost you 10 points.

- 1) (5 points) Which part of my web page, <http://www.bethanywv.edu/wcsaplár/> do you think will be most helpful? Why? Is anything missing that you would like to see?
- 2) (5 points) Which part of the department's web page, <http://www.bethanywv.edu/economics/> do you think will be most helpful? Why? Is anything missing that you would like to see?
- 3) (20 points) At the bottom of the page is a poem in Tamil. If I asked you to explain it, then you would have to translate it into English. Then you would have to figure out what it means. The same is true for mathematical equations. First, you must translate them into English, then you explain the economic reasons the equation holds. Explain why  $S_{govt} = (T - TR - INT) - G$ .
- 4) (25 points) What is meant by aggregation? Why do we do it? What is a disadvantage of doing it?
- 5) (10 points each) For each of the following events, determine how much GDP will change. If it does not change, tell me why it does not. If it does, then tell me how much and which part of GDP is changing. Explain your logic.
  - A) A person in a rural area grows all their own food. The value of which would be about \$10,000 if sold to others.
  - C) You pay \$5000 to a used car dealer for a car which he paid \$2800 for.
  - D) The government spends \$350,000,000 to help tsunami victims in South Asia.
- 6) (15 points) Why might real GDP per capita be a poor measure of how well off a poor country is?

பாஷும் தெளி தேலும் பாதும்  
 பருப்புமி அவ நாளும் கலந்தும் அக்து  
 நான் தருவேன்  
 கோஷும் செம்  
 தூங்கிட் கரிழுகத்தும் தூமணியே !