Wilf Csaplar Jr.   Economics 350   Homework # 4   **Due Friday 2/15**

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 10 points. Turn in the Excel file via Canvas. 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.

1) (5 points each) Use the page on the Excel Sheet (Lab4), tab "Lab" to answer this question. These are the actual winning margins of the Pittsburgh Penguins' games.
A) Forecast the rest of the season using the same value method.
B) Forecast the rest of the season using the same change method.
C) Forecast the rest of the season using the same percent change method.
D) Forecast the rest of the season using the 10-period moving average method.
E) Forecast the rest of the season using the 5-period weighted moving average method.

2) (45 points) Draw the SRAS/LRAS/AD diagram, IS/LM/FE diagram, and the real MS/real MD diagram such that the economy is in a recessionary gap. State how your graphs show the recessionary gap. Illustrate the effects of the economy being left alone. Explain why the curves move to get us back to full employment.

3) (20 points) Draw the IS/LM/FE diagram. Use it to prove the neutrality of money.

4) (10 points) Explain why the Solow Residual does not only measure the impact of technology. What else does it measure?