

Place your name on the back of this sheet of paper and nowhere else. Staple your answers face up on the front of this sheet of paper. Failure to follow these directions will cost you 10 points. Your assignment will be typed, except graphs can be drawn by hand and mathematical equations can be done by hand. Turn in the Excel file via Canvas. Place your name on an otherwise blank page of the Excel file. Failure to type this assignment 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.

All questions except for Questions #1 & #2 should be done before class. You will hand all of the answers in together. This is Lab #5 because #3 and #4 are moved to the end of the semester in order for Rikiah to do Labs #8 & #9.

1) (25 points) Use the page on the [Excel Sheet](#) entitled “Question\_1” to answer this question. Run a regression to predict quantity sold. Would you consider the results to be good results? Explain your logic. Which variable(s) would say are significant? Explain your logic. How much would you expect to sell if the price is \$15/unit and the income is \$60,000? Show all work.

2) (25 points) Use the pages on the [Excel Sheet](#) entitled “Question\_2” to answer this question. This is actual data from my ECON 162 class an earlier semester. Run a regression to predict the students’ grades on the tests. Would you consider the results to be good results? Explain your logic. How much would you expect your test grade to go down if you missed one class? Show all work. Why do you think the Adj R<sup>2</sup> and Significance of F take the values they do? In other words, in the real world, what determines the grade and how does that relate to those values?

3) (5 points) According to Vox.com, people are looking for a job in a different field. What would that imply should be happening to the unemployment rate? Explain your logic. <https://www.vox.com/recode/2022/2/9/22923843/jobs-careers-quitting-google-search-great-resignation> (Much to my surprise, flight attendant is one people want to become. Why? There are more unruly passengers than before.)

4) (20 points) Draw the Neo-Classical SRAS/LRAS/AD diagram (i.e., the one which fits the Misperceptions Theory.) Illustrate the effects of an increase in the money supply of 4% and have people expect that the money supply would increase 6%. Explain why the curve(s) moved as drawn. What happens to GDP, inflation, and unemployment rate?

5) (10 points) Explain why the Solow Residual measures more than just technology.

6) (15 points) Explain why the Neo-Classical SRAS curve slopes up.