Wilf Csaplar Jr. Economics 350 Homework #6 Lab #8 **Due Wednesday 3/23**

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 Question #1 should be done before class.

This question refers to the spreadsheet "Lab" on the Excel file "lab8.xlsx." Each date is for the two-month period which starts then. So, "Jan. 2002" is for January and February of 2002.

1A) (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 $120 in the May and June of this year, what would the seasonally adjusted sales be? If the company did $600 of sales this year, how much would you expect to be sold in the November and December? For both questions in Part B, do the calculation directly on the spreadsheet and type an explanation of what you did.

2) (15 points) On March 7th, the exchange rate between the Russian Ruble and US$ was approximately 150RUB/USD. Today, the exchange rate is approximately USD0.01/RUB. Which currency appreciated or revalued? Why did you choose that country? Is it appreciated or revalued? Explain your logic. If we were still trading with Russia, who in the USA would like that change in the exchange rate? Explain your logic.
https://www.xe.com/currencycharts/?from=USD&to=RUB&view=1M

2) (25 points) Draw the J-curve and explain why it takes its shape.

3) (10 points) What is the equation for relative PPP? Explain why that equation makes sense. (In other words, this is an explain the equation from ECON 302.)