Wilf Csaplar Jr.   Economics 350   Homework #4   **Due Friday 2/17**

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 #1 should be done before class. You will hand all of the answers in together.

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 next 10 games using the same value method.
B) Forecast the rest of the next 10 games using the same change method.
C) Forecast the rest of the next 10 games using the same percent change method.
D) Forecast the rest of the next 10 games using the 8-period moving average method.
E) Forecast the rest of the next 10 games using the 5-period weighted moving average method

Non-graded #1F) Which of the five simple methods of forecasting is best forecasting inflation? Explain your logic. Which of the five simple methods of forecasting is best forecasting GDP? Explain your logic.

2) (15 points) Explain how the Solow residual is calculated. What else does it include besides changes in technology? Explain your logic.

3) (45 points) Draw the NS/ND, IS/LM/FE, and the LRAS/SRAS/AD diagrams. Illustrate the effects of a temporary increase in government spending in the Classical School's model. Explain why the curves moved as drawn. What happens to the amount of labor, real wage rate, real GDP, real interest rate, price level, and unemployment rate?

4) (15 points) Do you feel the movement of the NS in Question #3 is logical most of the time? Explain your logic. Do you think the gig economy's growth make that movement more or less likely? Explain your logic.