

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 1 point. Turn in the Excel file via Moodle. 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 Pirates’ 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) (10 points each) For each of the following, which method of forecasting is best? Explain your logic. Use the five methods from Question #1 as you possible choices

- A) Price level.
- B) Inflation
- C) Your GPA

3A) (20 points) Use the SRAS/LRAS/AD diagram to explain why the RBC Model concludes about the neutrality of money.

3B) (10 points) Data analysis says that the conclusion you reached in Part A is wrong. How do people who believe the model explain the apparent contradiction.

4) (15 points) How do the believers of the RBC model explain unemployment? Which typ of unemployment is that? Explain your logic.