Wilf Csaplar Jr. Economics 302 Homework #9 **Due Thursday 11/6**

The Last One!

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. 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) Explain the equation for the AD curve $Y = f(P)$.

2) (20 points) Draw the SRAS/LRAS/AD diagram. Illustrate the effects of the One Big Beautiful Bill as described by the Bipartisan Policy Center. Explain why the curve(s) moved as drawn. What happens to GDP, inflation, and unemployment?
https://bipartisanpolicy.org/explainer/what-does-the-one-big-beautiful-bill-cost/

3) (25 points) Draw the SRAS/LRAS/AD diagram. Illustrate the effects of Trump's tariffs as described by the Tax Foundation. Explain why the curve(s) moved as drawn. Explain how your graph shows the conclusions in the table at the end of the section called "Key Findings." Two of them cannot be seen on the graph. For those two, explain why they occur. Of interest, this article was updated 10/27, and may get updated again before you hand this in.
https://taxfoundation.org/research/all/federal/trump-tariffs-trade-war/

4) (20 points) Draw the SRAS/LRAS/AD diagram. Illustrate the effects of the Canadian boycott of American goods. Explain why the curve(s) moved as drawn. What happens to GDP, inflation, and unemployment?
https://www.cnn.com/2025/10/13/business/canada-trump-tariffs-trade

5) (30 points) Draw the SRAS/LRAS/AD diagram and the real MS/MD diagram. Illustrate the effects of the Fed's buying bonds. Explain why the curves moved as drawn. What happens to the real money supply, interest rates, GDP, inflation, and unemployment rate?