Wilf Csaplar Jr.   Economics 302   Homework #9   **Due Friday 4/5**

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

2) (15 points) Given the graph on the page linked below, would you say that the variable is procyclical, counter-cyclical, or acyclical? Explain your logic referring to the graph, not what the variable is. Is it leading, lagging, or roughly coincident?   Explain your logic referring to the graph, not what the variable is. The shaded areas on the graph are recessions and the rest are booms.
https://www.bls.gov/charts/employment-situation/unemployed-27-weeks-or-longer-as-a-percent-of-total-unemployed.htm

3) (15 points) The timing of cyclicality (leading, lagging, or roughly coincident) of the unemployment rate is officially unclassified. Use Okun's Law to explain why there are times you would expect it to be leading and other times you would expect it to be lagging.

4) (15 points each) Answer each part in separate paragraphs. Is that variable procyclical, counter-cyclical, or acyclical? Explain your logic. Is that variable leading, lagging, or roughly coincident? Explain your logic.
A) stock price index
B) inflation
C) consumption
D) average duration of unemployment