

ECON 3010 Intermediate Macroeconomic Theory

Homework #7

Due: Tuesday, November 20, 2018

Ten *LaunchPad* multiple-choice questions. You have unlimited attempts to complete the assignment, which are due at midnight on the date above.

Also, provide type-written answers to the following questions:

1. Create a scatter plot of annual U.S. and Wyoming unemployment rates from 1960 - 2017. Calculate the best-fitting trend line and the correlation between the two unemployment rates. Use the results to write a paragraph commenting on the relationship between Wyoming's economy and that of the U.S. macroeconomy. In particular, comment on the often-mentioned countercyclical nature of Wyoming's economy and the natural rate of unemployment in Wyoming.
2. Replicate the scatter plot of Okun's law for Wyoming, commenting on the differences between the relative intercepts and slopes.
3. Use the AD-SRAS-LRAS model and diagram of chapter 10 to explain the economy's likely transition to a major stock market decline that reduces the wealth of U.S. consumers.