

**ECON 462**  
**Second Assignment**

The assignment consists of 2 parts.

**Part I**

1. Collect data on the growth rate of real GDP and the unemployment rate from the first quarter of 1980 to the fourth quarter of 1982; and from the first quarter of 2007 to the fourth quarter of 2010.
2. Graph the data.
3. Collect data on the growth rate of the monetary base for the two periods indicated in 1. Present the data on a table.
4. Compare the magnitude of the early 80's recession with the recent recession, as measured by GDP and unemployment.
5. Compare the behavior of the monetary base during the two periods.
6. Given the relative magnitude of the recessions, would you say that the increase in the monetary base has been appropriate? Explain.

**Part II**

1. Collect data on the US current account and capital/financial account balances from 2008 to 2010.
2. Collect data on US official reserve assets (from the International Transactions Account) from 2008 to 2010.
3. Graph the data collected in 1 and 2.
4. Collect data on the fiscal position of the US government from 2008 to 2010. Present the data on a table. (Go to the Congressional Budget Office website and obtain data on Historical Budget Data).
4. How would you characterize the overall situation of the US with respect to the balance of payments and its fiscal position? Is it sustainable?

**Format of the assignment**

Each of the two parts described above should adhere to the following guidelines:

- a) The text must include an introduction. In this section you are to describe the data collected.
- b) The extent is to be kept at a minimum 1 page and a maximum 2 pages. That is, the entire assignment must contain no less than 2 pages and no more than 4 pages.
- c) Font is Times New Roman 12 points. Single space.