

# IAS 107: Spring 2011: Problem Set 1

Due at the start of lecture on Th Jan 27

1. What are the four parts of macroeconomics?
2. Why are real GDP per capita and the unemployment variables important quantities to look at?
3. Roughly, what was the highest that the inflation rate reached in the twentieth century?
4. Roughly, what was the highest that the unemployment rate has reached in the last fifty years?
5. What are the major components of GDP on the expenditure side?
6. Jean Baptiste Say in 1803 claimed that because nobody makes anything without intending to use it or sell it, and nobody sells anything without intending to buy something else, that there could be no general shortage of demand in an economy-- that there could be a planned excess of supply of some commodities, but it would be balanced by a planned excess of demand of some other commodities. Was he wrong? Why was he wrong?
7. About how many people lose or quit their jobs in an average month?
8. About how many people get jobs in an average month?
9. About how many people are unemployed in an average month?

10. About how many people are at work in an average month?
11. About how many people are unemployed now?
12. If a quantity grows at about 3% per year, how long will it take to double?
13. If a quantity shrinks at about 4% per year, how long will it take it to halve itself?
14. If a quantity doubles five times, how large is it relative to its original value?
15. If a quantity halves itself three times, how large is it relative to its original value?
16. Roughly, how much larger was global real GDP in 1800 than it was in the year 1?
17. Roughly, how large is global real GDP today?
18. Roughly, how much larger is global real GDP today than it was in 2000?
19. Roughly, what is the gap between real per capita GDP in the U.S. today and real per capita GDP in China?
20. Roughly, what is the gap between real per capita GDP in China today and real per capita GDP in Mozambique?