

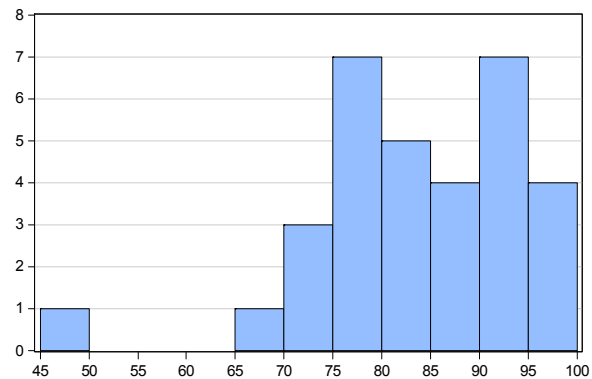
Quiz 2
 ANSWERS

1. This is based on p. 138 of the textbook.
2. This is based on p. 144 of the textbook.
3. This is based on the discussion in chapter 6 and in class.
4. This is based on the Phillips curve discussion in chapter 8.
5. We discussed this in class several times. **Make absolutely sure** that you know the difference between changes in u and u_n .
6. Liquidity trap is explained on pp. 80-82 of the textbook.
7. See Figure 6-6 and the accompanying discussion on p. 123. of the textbook.
8. This is based on question 8 on p. 132 of the textbook.
9. See Figure 6-9 and the accompanying discussion on pp. 128-129 of the textbook.
10. We did this in class. **Do not forget** the effect of u and z on bargaining power, as well as that of P^e .
11. We did nearly all of this in class. It is also covered in the textbook, chapter 8.
12. This is question 4, p. 131 of the textbook.
13. We thoroughly covered this in class.



Statistical Report for Quiz 2 Grades

98	89	78
98	86	78
95	86	77
95	85	75
91	84	75
91	82	73
91	82	72
91	80	71
90	80	68
90	79	46
90	78	



Series: QUIZ2	
Sample 1 32	
Observations 32	
Mean	82.62500
Median	83.00000
Maximum	98.00000
Minimum	46.00000
Std. Dev.	10.51803
Skewness	-1.194252
Kurtosis	5.667960
Jarque-Bera	17.09728
Probability	0.000194

