

Summer 2020 – Individual Homework – (15%)

ECON252 – Macroeconomics-

Name	ID



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Problem 1: (20 points)

- a) Explain the difference between calculation of inflation through CPI and through the GDP deflator.

Hint: think about which type of goods are considered for calculating inflation in each case.



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Problem 2: (20 points)

	2018	2019
Consumption	1200	1240
Personal transfer	80	100
Investment	250	300
Investment in real estate	60	70
Government purchases	200	210
Export	180	190
Import	160	180
GDP		

- Calculate GDP for 2018 and 2019.
- Calculate the GDP growth rate.



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Problem 3: (30 points)

Working age population	
Employment	140302
Unemployment	
Unemployment rate	9%
Labor force	
Labor force participation rate	64%
Employment population ratio	

Fill in the blanks



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Problem 4: (30 points)

	2010 (base year)		2017	2018
Product	Quantity	Price	Price	Price
Haircuts	1000	2	2.5	3
Burger	5000	3.5	4	3.5
Tablets	1500	225	250	210

Consider a small economy producing only three goods. Use the information in the following table to calculate the inflation rate for 2018, as measured by the CPI.

- Calculate CPI in 2017 and 2018
- Calculate inflation and explain results