

1. Consider the following two good economy. The two goods are food and electronics. P and Q indicate the prices and quantities of each good in years 2013-2016.

Year	P Food	Q Food	P Electronics	Q Electronics
2013	\$635	56	\$1,300	9
2014	\$640	58	\$1,302	10
2015	\$610	60	\$1,316	11
2016	\$617	62	\$1,349	15

Using 2013 as the base year, compute

- (a) Nominal GDP for 2014
- (b) Real GDP for 2015
- (c) The real GDP growth rate from 2015 to 2016

2. In the year 2000, 100 cars are purchased at a price of \$50,000 each. That same year, 500,000 loaves of bread are purchased at a price of \$10 each. In the year 2010, 120 cars are purchased at a price of \$60,000 each. That same year, 400,000 loaves of bread are purchased at a price of \$20 each.
- (a) Using 2000 as the base year, compute the GDP deflator for both years.
 - (b) Using the 2000 quantities as the fixed basket amounts, compute the CPI for both years.
 - (c) What is the inflation rate between 2000 and 2010 using the deflator?
 - (d) What is the inflation rate between 2000 and 2010 using the CPI?

3. Consider the following numbers:

Category	Number of People
Have a job	A
No job, but looking for one	B
No job, not looking for one	C

If those numbers include everyone in the adult civilian noninstitutionalized population, then

- (a) How many people are employed (E)?
- (b) How many people are unemployed (U)?
- (c) How many people are in the labor force (LF)?
- (d) How many people are not in the labor force (NILF)?
- (e) What is the labor force participation rate (LFPR)?
- (f) What is the unemployment rate (UR)?
- (g) What is the employment to population ratio (EPR)?