

Spring 2017  
Problem Set #1  
Due Tuesday Jan 24, 2:30pm

1. The Bureau of Economic Analysis (BEA) announced statistics for the U.S. Gross Domestic Product (GDP) on December 22, 2016. Find the “release” on the BEA website ([www.bea.gov](http://www.bea.gov)). You can find it on their website on the right side (Real GDP) or on the left under “Current Releases”. You will need to examine more than just the summary page.
  - (a) Which quarter was announced? (e.g., which quarter of which year?)
  - (b) Find the following values, in percent change at annual rates for the latest quarter
    - i. Real GDP
    - ii. Real personal consumption expenditure (PCE)
    - iii. Real nonresidential fixed investment
  - (c) Are these the “Advanced”, “Second” or “Third” estimates?
  - (d) Find the schedule news releases. On which dates will 2016 Quater IV be released?
    - i. Advanced estimate
    - ii. Second estimate
    - iii. Third estimate
2. The Bureau of Labor Statistics (BLS) announced the Producer Price Index (PPI) for December 2016 on Jan 13, 2017. Find the release on the BLS website ([www.bls.gov](http://www.bls.gov)). (On right, under “Latest Numbers”, click on Produced Price Index.)
  - (a) What was the monthly percentage change in December 2016 in the PPI (Total Final Demand)?
  - (b) The percentage change from one year ago?
  - (c) What was the monthly percentage change in Dec in goods less food and energy?
  - (d) Find the index for dairy products (we are in Wisconsin!). To find this, you will have to examine the sub tables carefully. What was the percent change from December 2015?
  - (e) Again for dairy products, the seasonally adjusted percent change from November 2016?
3. The BLS announced the regional and state unemployment figures for November 2016 on December 16, 2016. Find the announcement and the unemployment rates for each U.S. state (from the BLS webpage, look under Subjects/Unemployment/State & Local Unemployment Rates. The states are listed on the right. Click to find the state data.)
  - (a) Find the unemployment rate in November 2016 in your home state. If your home state is not in the U.S., you can pick one at random, or Wisconsin.
  - (b) What does the (P) mean?
4. The Congressional Budget Office (CBO) is officially charged with making economic and budget projections. Find their current (August 2016) projections for U.S. real GDP on their website ([www.cbo.gov](http://www.cbo.gov)). Under “Budget and Economic Data” click “Browse all Data”, then under “10-Year Economic Projections”, click “August 2016”. This should open up an excel file.
  - (a) Find the Quarterly projections for the percentage change in real GDP for the third and fourth quarter of 2016.
  - (b) Comment on the difference between the projection for the third quarter and your answer to question 1 (b) (i) above
  - (c) Find the Calendar Year projections for the percentage change in real GDP for 2017