

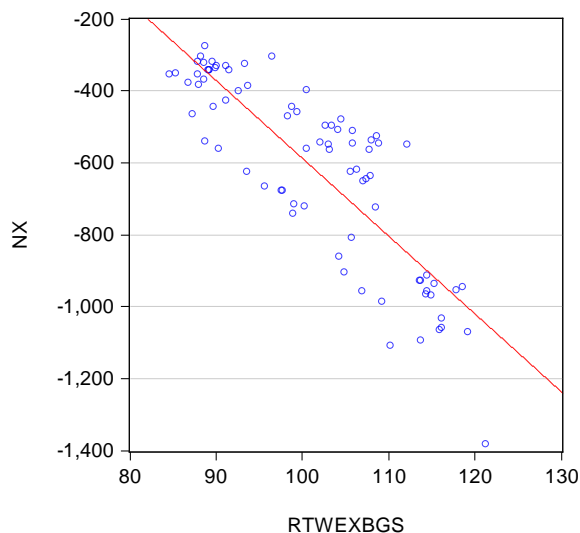
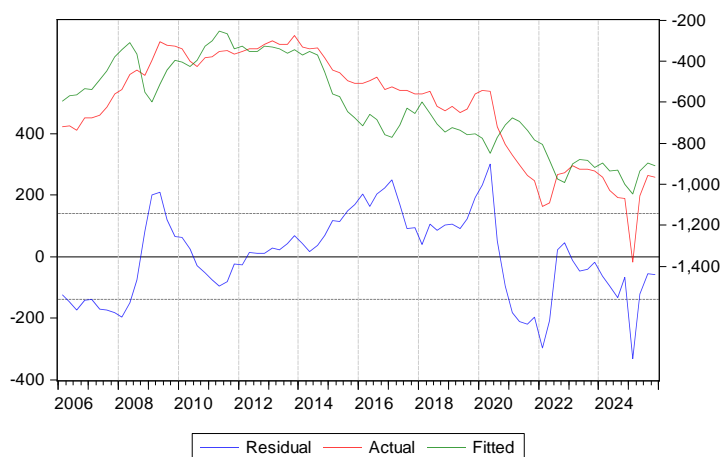
Assignment 1

- The median grade is 95 (see below). So, an answer sheet is somewhat unnecessary. Nonetheless, here are some suggestions/comments. Note that attention to detail, following instructions, and a professional, carefully proof-read presentation of material are part of the educational process.

1. [15 points + 5 bonus] Some of the factors that affect U.S. net exports are as follows. U.S. net exports to its major trading partners might increase if, *ceteris paribus*, the U.S. dollar depreciates (in relation to the currencies of its trading partners), the real GDP per capita in partner countries increases, the real GDP per capita in the U.S. decreases. Then there are other factors such as tariffs, sanctions, pandemics, wars, etc. Think about providing **economic explanations** for the above relationships. Also, apart from omitted variables, there are some other issues regarding the estimated equation below. We will discuss them in class.

Dependent Variable: NX  
Method: Least Squares  
Date: 04/19/26 Time: 19:32  
Sample: 2006Q1 2025Q4  
Included observations: 80

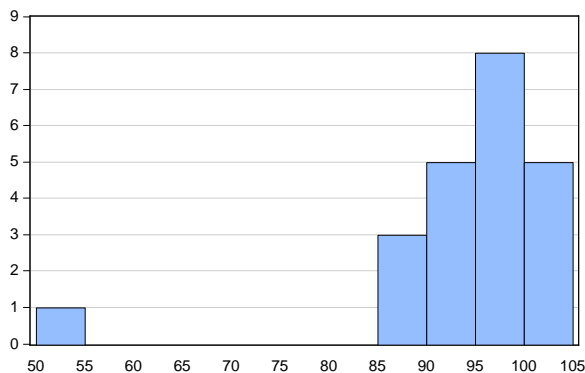
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1574.857	156.1184	10.08759	0.0000
RTWEXBGS	-21.62919	1.534691	-14.09352	0.0000
R-squared	0.718032	Mean dependent var		-614.5377
Adjusted R-squared	0.714417	S.D. dependent var		259.3132
S.E. of regression	138.5768	Akaike info criterion		12.72541
Sum squared resid	1497876.	Schwarz criterion		12.78496
Log likelihood	-507.0164	Hannan-Quinn criter.		12.74928
F-statistic	198.6272	Durbin-Watson stat		0.278214
Prob(F-statistic)	0.000000			



6. [22 points] Almost all did very well on this question. Note that you must draw the  $RD$  curve accurately (you need at least four points to draw the  $RD$ ). Also, you *must* be consistent in your axis designation. That is, if you measure, say, bananas on the horizontal axis for your  $PPF$ 's (as you were asked to do), then in your  $RD/RS$  graph you *must* measure  $Qb/Qa$  on the horizontal axis of  $RD/RS$ , **not**  $Qa/Qb$ . Also, you must measure  $pb/pa$  on the vertical axis, **not**  $pa/pb$ . I went over this matter several times in class.

\* \* \* \* \*

### Statistical Report for Assignment 1 Grades



Series: ASSIG1	
Sample 1 22	
Observations 22	
Mean	93.18182
Median	95.00000
Maximum	104.0000
Minimum	50.00000
Std. Dev.	10.70664
Skewness	-3.072100
Kurtosis	13.33358
Jarque-Bera	132.4896
Probability	0.000000

104	95	91
102	95	90
102	95	89
101	95	88
100	95	87
98	94	50
97	94	
96	92	