

Macroeconomics

Part A Comments

A Omitting annual data for the entire business cycle, 2008 to 2021 (maybe 2022) for GDP and its main components, (C, I, G, X, M), employment, and rates of unemployment and inflation will make it harder to see the strengths and weaknesses of the country's economy. How much the economy expanded or contracted based on specific factors such as the 2008-09 recession, the COVID pandemic and the war in Ukraine of situations in a particular country and their effects on employment, unemployment and the price level and the extent of the economy's recovery sets the stage for the policy component in Part C. Determining which of the above are short term, temporary factors and which are longer term is part of the determination of what targets are achievable. Depending on the country, the period from 2010 to 2019 may provide levels of these targets and become the basis for policy formulation or the context for the current policies in Part C.

Also, using the percentage changes in GDP is a more direct way of depicting GDP growth. The actual values or an index of the values are related measures, but the percentage change is comparable to the unemployment and inflation rates which are other macroeconomic policy targets relevant to Part C.

B Indicate the sources of graphs, numeric tables of data and specific information you include in the text by referencing one of the items in the bibliography (works cited) at the end of Part A. For information in the body of the text such as a quotation or statistic (if it is not from an adjacent graphic or numeric table) from a source listed in the bibliography, include the abbreviated name of the source in the bibliography and a page number. You can do this by inserting the information in parentheses in the text or by use of a footnote. The listing in the bibliography should include a full citation in APA (American Psychological Association), MLA (Modern Language Association) or Chicago/Turabian styles. Citations in the body of the text for web site sources are typically more general as there are usually no page number in web sites. However, there may be sub section labels or titles for tables or graphs.

C Sources for graphs and tables are usually put underneath the graph or data (see the graphs in chapter 2 of the text for examples). Including a source increases the credibility of the data as a basis for your analysis and/or description of the data.

D Including annual rates of unemployment and inflation in percentages will facilitate construction of a Phillips curve in Part C. However, for Part A a graphical version of the numeric values or an index based on them is sufficient.

E Numeric data or annual percentage changes for GDP and its components in either real or current (nominal) values rather than the percentage shares of the GDP components is more useful in assessing how GDP and its components have changed over time. Graphical versions of annual GDP and its components (or their annual percentage changes) is an even clearer way of showing the trends.