CAUTION: Late assignments will not be accepted – no exceptions.

*INITIAL COUNTRY ASSIGNMENTS (SUBJECT TO VOLUNTARY TRADES)*:
Pulasthi Amarasinghe (Pakistan); Trenton Jon Baker (Spain); Brady Alan Cooley (Thailand); Haojie Cui (Kenya); Zachary Dillon Deitrich (Mexico); Alexander David Dosier (Tunisia); Timothy A. Keith (Brazil); Jiwon Lee (Singapore); Savanna May Lyons (Greece); Nickolas Taylor Petersen (Saudi Arabia); Bronson Daniel Recker (Mauritania); Marcie Elaine Stevenson (China); Miracle-Rose Toppar (Sweden); Jennifer Ann Zarek (India).

Important Note 1: You can undertake voluntary trades among yourselves with regard to the above country assignments, but the listed fourteen countries must remain the fourteen assigned countries. Report the outcomes of any trades to the instructor as soon as possible before the exercise due date.

Important Note 2: Please be sure to make an EXTRA copy of your exercise to bring to class on the due date for use in class discussion after you turn in your exercise.

Construction of Macroeconomic States

Background Materials (For Reference If Needed):

- GDP-Related Terms and Concepts (Notes by L. Tesfatsion)
  http://www.econ.iastate.edu/classes/econ302/tesfatsion/bht2.htm

- Price, Employment, and Productivity Terms and Concepts (Notes by L. Tesfatsion)

- Any of the various intermediate macroeconomic textbooks listed on the Econ 502 syllabus (Abel/Bernanke, Barro, Hall/Taylor, Peterson/Estenson) can be used to review basic macroeconomic terms and concepts.


A key task facing central government policy-makers is the determination of macroeconomic policies that enhance the welfare of their citizens. Macroeconomic policy-makers typically determine policies conditional on the state of the macroeconomy – that is, conditional on a description of current attributes of the macroeconomy that are perceived to be critically important for the particular macroeconomic policy purpose at hand.
Suppose you are currently working as an economic consultant for the central government of your assigned country, tasked with helping to determine macroeconomic policies that best enhance the welfare of the current and future citizens of this country.

Please answer the following two questions.

**QUESTION 1: [10 Points Total]** Using the latest available data (from 2015 if available), report as best you can quantitative values for the following attributes for your assigned country. Include (if possible) a brief explanation of how each attribute was actually measured. Also, be sure to give complete citations for all resources used in your answer, including URLs for Web sites.

1. Per-capita real Gross Domestic Product (GDP)
2. Growth rate of real GDP
3. Inflation rate
4. Unemployment rate
5. Investment as a percentage of GDP
6. Distribution of wealth (asset ownership)
7. Population health and longevity, as measured by life expectancy at birth
8. Knowledge and education, as measured by expected years of schooling for children of school-entering age
9. National government debt as a percentage of GDP
10. Environmental conditions, as proxied by clean water availability

**QUESTION 2: [5 Points Total]** Suppose you are asked to report the current macroeconomic state of your assigned country using what you consider to be the most important FOUR attributes from the list of ten attributes given in Question 1. The purpose of your report is to help central government policy makers ensure the welfare of current and future citizens of your assigned country.

(a) (1 Point) Explain carefully which four attributes from Question 1 you would choose for your report.

(b) (4 Points) Explain carefully why you would choose these four attributes (in preference to the remaining six attributes listed in Question 1) as the most important four attributes to include in your assigned country report.