

Problem set #3 Due April 5th in Tutorial (10 percent of term grade)

Locate the following monthly data for Canada and the U.S. for the time periods 1920-1940 and from 2007 to Dec. 2010:

1. Industrial Production
2. employment
3. unemployment rate
4. stock market index
5. short-term interest rate
6. C.P.I. (price index)

A. Graph these variables shading in the US. NBER recession dates for both countries.

B. Compare the behaviour of these series across the countries for the time periods in question.

C. Compare the behaviour of these variables for the two years following the stock market crash of 1929 and the stock market decline in 2008. Point out similarities and differences.

Hand in copies of the data as well as the sources.

Bonus 3%: Find the monthly variables for the U.K.