Research Project 1

Instructions

1. Do research on 4 economic crises:
   - The 1930s Great Depression
   - The 1970s Oil and Energy Crises
   - The 1997 Asian Financial Crisis (Tom Yum Kung Crisis)
   - The 2007-2008 Global Financial Crisis (Hamburger Crisis)
2. Answer the questions WITHIN the space provided.
   (ห้ามเขียนเกินหน้ากระดาษที่กำหนดไว้)
3. You can do your work on the IPAD or the printed worksheet (scan and submit), but DO NOT TYPE.
   (สามารถ Print แล้วเขียนแล้ว Scan ส่งได้ หรือเขียนบน IPAD แล้วส่งก็ได้ แต่ห้ามพิมพ์)
4. The submission is via Moodle, and the deadline is on Sunday, 7th March.
5. Any student committing plagiarism or suspected plagiarism will receive a mark of 0.

Grading Criteria

- A full mark will be awarded to those who can CORRECTLY answer the questions in the MOST CONCISE and EASY-TO-UNDERSTAND manner.
- Grammatical mistakes will have NO effect your mark, but please try to make your answer as readable as you can.
- You are not required to use all the space provided. Some questions require shorter explanations. As previously mentioned, the more concise, the better.

Hints / Tips

- Probably, you can start by looking through Wikipedia or Investopedia.
- After that, please have a wide range of research.
- Youtube will certainly help.
- Please note that some websites may contain wrong information.
- You can also add some numerical data of ONE country that was affected by the recession to support your answer for the second question.

The 1930s Great Depression

Explain the cause(s) or the story behind the recession.

The Great Depression beginning in the United States, it was the longest, deepest, and most widespread depression of the 20th Century. On Octobe 29, 1929 or Black Tuesday form the stock market crash that come from a major fall in stock prices that began around September 4. Cause that began this comes from 1.) Agricultural exports decreased because the prices of many kinds of agricultural products dropped considerably due to overproduction 2.) Most farmers lack funds so they have to borrow money to buy machinery and other things, the result is they have a lot of debt 3.) The falling agricultural prices have led to a reduction in production sizes 4.) The rapid expansion of Industrial plants in many countries between 1920-1930s reduced agricultural products and rising prices of industrial products, created economic gaps and led to the bankruptcy of industrial affairs.

What happened to GDP (or growth rate), unemployment, and inflation of affected counties?

In worldwide, GDP fell by 15 % between 1929 and 1932. The unemployment in U.S rose up to 23 % and other countries rose up to 33 %. The rate of inflation was negative the real interest rate was much higher than the norminal interest rate.

The 1970s Oil and Energy Crises

Explain the cause(s) or the story behind the recession.

The oil crisis is a direct consequence of the US production. In October 1973, the members of OPEC declare an oil embargo because the U.S. decision to help the Israeli military for their supply during the Yom Kippur war. They annouced that it would limit or stop oil shipments to the U.S. and other countries if they support Israel. The price of oil had risen from $3 per barrel to nearly $12. Oil has become rare, many gas stations shut down due to lack of gas in the dispenser. The energy crisis emerged in the U.S. during the wake of the Iranian Revolution. The new regime resumed oil exports, it was inconsistent and at a lower volume, forcing prices to go up. Saudi Arabia and other OPEC nations, increased production to offset the decline, and the overall loss in production was about 4 %.

What happened to GDP (or growth rate), unemployment, and inflation of affected counties?

The GDP of the US. fell 3.2 %. However, the recession ended in March 1975 but the unemployment rate did not peak for several months until May 1975, the rate reached the high of cycle of 9 %. The inflation remaind extremely high for the rest of decade.

The 1997 Asian Financial Crisis (Tom Yum Kung Crisis)

Explain the cause(s) or the story behind the recession.

This crisis had started in Thailand when the value of the bath is greatly reduced due to the decision of the Thai government, they were forced to float the bath due to lack of foreign currency to support its currency peg to the U.S. dollar. Thailand was most affected by the crisis. It was caused by private debt incursions but the government made the crisis escalate. The Bank of Thailand had a policy to open the money market while maintaining a very narrow exchange rate range, allowing large amounts of loans to flow into the country then cannot control. They use "swap" to protect bath, which is a recklessly throwing of international reserves and the Bank of Thailand had received a warning from the International Monetary Fund or IMF.

What happened to GDP (or growth rate), unemployment, and inflation of affected counties?

The GDP ratios rose from 100% to 167% in the four large ASEAN economics in 1993-1996 and then shot up to 180% during the worst of the crisis. Unemployment rose to dangerous levels across the region as factories. The inflation grow up 3.4% to 5.3%.

The 2007-2008 Global Financial Crisis (Hamburger Crisis)

Explain the cause(s) or the story behind the recession.

This crisis began as a burst of a bubble in the U.S. household market, caused the value of securities tried to U.S. real estate to plummet and damaged financial instutions globally. It was caused by a complex and a number of factors which gradually develop in the real estate and credit markets for example, the homeowner cannot pay the loan, wrong decisions made by borrowers or lenders, excessive speculation and home building during a rapidly growing market. In many areas in the United states, debts and property seizures increased noticeably when simple precondition were exhausted, house prices are not higher as expected and the floating interest rate began to rise. The seizures of assets in the U.S. is on the rise.

What happened to GDP (or growth rate), unemployment, and inflation of affected counties?

GDP Increased from an average of 46 % during the 1990s to 73 % during 2008. The collapse of the housing bubble which sent the unemployment rate to 10 % in October 2009 more than double is pre-crisis rate. Leading to lower cost-push inflation.