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.

To begin with, the 1929 stock market crash destroyed confidence in the US economy, resulting in significant cuts in spending and investment. Second, because of the relatively high interest rates in the US, the pool of capital available for loans is shrinking. Meanwhile, agricultural interests in the US are suffering as a result of overproduction and increased EU imports. Furthermore, several areas were damaged during WWI, resulting in an increase in the price of agricultural products. As a result, the government owes a large amount of debt from WWI, causing ~~in~~ inflation and disrupting international trends.

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

In the US, the GDP fell by 30% and the unemployment rate increased from 3% to over 25%. In 1932, the consumer price index (CPI) fell by nearly 25% ~~with~~ the rate of deflation reaching 10%.

The 1970s Oil and Energy Crises

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

The Western world, including the US, Canada, Western EU, Australia, and NZ, faced severe petroleum shortages and rising prices during the 1970s oil and energy crises. The oil crisis of 1973 and the energy crisis of 1979 were the two greatest crises of the 1970s. American oil consumption, such as gasoline and other products, was that as the same time as domestic oil production was falling, resulting in a growing reliance on oil imported from other countries. 2 specific developments in the Middle East, the Yom-Kippur war of 1973 and the Iranian revolution of 1979, were the catalysts for these crises. Oil supplies in the area were disrupted as a result of these incidents. While the oil embargo was lifted in March 1974, oil prices remained high, and the consequences of the energy crises lingered for the rest of the decade.

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

All major industrialized countries' GDP fell from 6% in 1973 to 0.1% in 1974. OPEC countries, on the other hand, raked in massive profits. According to estimates, a threefold rise in oil prices would result in a 20-24% increase in the price of the commodity. Inflation is caused by the effects of increasing production costs, which is referred to as "demand pull inflation." The cost of living would rise in tandem with the rise in oil prices. The individuals who are most affected tend to be well-off. It has resulted in a higher rate of unemployment

The 1997 Asian Financial Crisis (Tom Yum Kung Crisis)

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

In terms of financial independence, money can be freely transferred from one country to another, allowing citizens to easily borrow money from other countries. As a result, they invested in real estate, such as purchasing a home or constructing a structure. If the no. of investment rises, the price of goods and services rises faster than the real price, resulting in an economic bubble in which asset prices rise but are not justified by supply and demand due to speculation, and a baht devaluation in which money losses its value in relation to other currencies. When George learned the issue of Thailand, he attack Thai Baht by selling Thai Baht. His short-term plan is to sell. Thai gov.'s response was to use the country's foreign reserves to purchase Baht back later. On July 1, 1997, Thai agree to float the currency, allowing it to flow to its true vale, causing citizens to accumulate a large amount of debt.

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

Thai GDP fell from 5.7% in 1997 to -2.8% in 1998, with the worst year -7.6%. In 1997, the unemployment rate was 0.87%. 1998 rise to 3.4 percent. Inflation increase from 5.63% in 1997 to 7.99% in 1998.

The 2007-2008 Global Financial Crisis (Hamburger Crisis)

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

The global financial crisis of 2007-2008 is global ~~for~~ financial crisis because it occur allove the wrld. Root is first Federal Reserve the US' central bank, anticipated a mild recession in ~~2007~~ 2001 and cut the fund rate 11 times between May 2000 and Dec 2001. From 6.5% to 1.75%. This result in banks extend consumer credit at a lower prime rate. Although the interest rates were high, customers had 3 percentage points above the federal funds rate, which push them to lend more. The consequence was emergence of housing bubble in US, which explode in late 1990 causing house prices sharp drop. Second, the expansion of subprime mortgage to credit-worthy borrowers, as well as investment bank development of collateralized debt obligations and credit default swaps. Because of this, credit markets froze, banks reluctant to lend to one another, pulled global econ. down through this downturn.

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

US GDP at the end of 1990's 46%. Between 2008 - 2009 rose by 73%. Unemployment rate rise from 4.7% in 2007 to 10% in 2009. Result in lower cost-push inflation in terms of inflation.