

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 Harushige

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

Throughout the 1920s, the U.S. economy expanded rapidly, and the nation's total wealth doubled between 1920 and 1929, a period was called for the Roaring Twenties. The stock market that was the moment of lack of consideration, which people who are influenced millionaire poured their savings into stocks. Therefore, the stock market suffered rapid expansion, reaching the peak in August 1929. By that production had already declined and unemployment had risen, the stock prices are higher than their actual value. Moreover, wages at that time were low, consumer debt was increased, the agricultural sector was stuck due to falling food prices and banks had an excess of large loans that could not get back. American economy entered a mild recession during summer of 1929, as consumer spending slowed and unsold goods increased quantity, which turn to slow factory production. However, stock prices continued to rise. On October 24, 1929, as nervous investors began to sell overpriced, A record 12.9 million shares were traded that day, Black Thursday. Five day later, call Black Tuesday, some 16 million shares were traded after another wave of panic. The downturn in spending and investment led factories and other business to slow down production and begin firing their workers. Moreover, wages fell and buying power decreased.

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

Between 1929 and 1930, GDP "growth" was -9%. The contraction of GDP continued 3 more years, with GDP shrinking 6.5% in 1931, 14% in 1932, and 1.4% in 1933. The unemployment rate increased sharply during the early 1930s, reaching its historical maximum of 22.9% in the U.S. in 1932. It subsequently declined between 1933 and 1937, only to increase again to 12.5% in 1938.

The 1970s Oil and Energy Crises

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

In 1948, the Allied powers had carved land out of the British controlled territory of Palestine in order to create the state of Israel. A lot of the Arab population in the region refused to acknowledge the Israeli state, however, and over the next decades sporadic attacks periodically erupted into full-scale conflict. After the Soviet Union began sending arm to Egypt and Syria, U.S. president began an effort to resupply Israel. In response, members of the OPEC reduced their petroleum production and proclaimed an embargo on oil shipments to the U.S. and Netherlands, the main supporters of Israel. Though the Yom Kippur War ended in late October, the embargo and limitations on oil productions continued, sparking an international energy crisis. As it turned out, Washington's earlier assumption that an oil boycott for political reasons would hurt the Persian Gulf financially turned out to be wrong, as the increased price per barrel of oil more than made up for the reduced production. In 1973, when an oil embargo imposed by members of the Organization of Arab Petroleum Exporting Countries (OAPEC) led to fuel shortages and sky-high prices throughout much of the decade.

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

During this recession, the GDP of U.S. fell 3.2%. Although the recession ended in March 1975, the unemployment did not peak for several months. In the early 1980s recession, when employment peaked at 10.8% in November and December 1982. The recession also lasted from 1973 to 1975 in the U.K., The GDP declined by 3.9% or 3.37% depending on source. In the 3 frenzied months after the embargo was announced, the price of oil from \$3 per barrel up to \$12. American that time faced price hikes and fuel shortages, causing lines to form at gasoline stations around the country.