B.E. International Program

Faculty of Economics, Thammasat University

Semester: 2/2011

EE 312: Macroeconomics Theory

Homework # 1

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1. (10 points) How does macroeconomics differ from microeconomics?

2. (10 points) What do GDP and GNP measure? Can we use them as a welfare measure? Why or why not?

3. (10 points) Explain the difference between nominal GDP (or current GDP) and constant-prices GDP (or real GDP). Why do we measure economic growth from real GDP?

4. (20 points) Find Thailand's GDP data during 1988-2010 both in current prices and in constant prices. Plot their movement and explain their time path (current GDP and constant prices GDP). Calculate Thailand's economic growth rates and offer your comments on the economic growth during 1988-2010.

5. (40 points) For 1988 - 2010, find the components of aggregate demand (expenditure on gross domestic product) both in current prices and in constant prices.

   5.1 Calculate the share of each component in GDP and offer your observations on the significance of each component in GDP and the change in the structure of expenditure between 1988 and 2010.

   5.2 Calculate their percentage change in each year and evaluate which components appear to be the most volatile during this period.

Note: Look at www.nesdb.go.th for national income account data.