1. Why the study of economics is divided into two parts like microeconomics and macroeconomics? Explain your answer with the help of the ‘Paradox of thrift’.
2. Draw the excel sheet with column and row and titles and make a simple interest calculator for minimum three years as we did in the class. Show the excel formulas.
3. How do we take the effects of inflation out of GDP to compare economic well-being over time? Explain nominal and Real GDP.
4. Explain the simple and compound interest
5. Draw the excel sheet with column and row and titles, place the ‘First Investment’, ‘Portfolio value after one year’ and ‘Yearly return’ variables to this sheet. Give any value to the ‘First Investment’ and ‘Portfolio value after one year’ variables. Evaluate ‘yearly return’ as an excel formula and then calculate and show result via percentage.
6. How banks make profit? Elaborate
7. What is the time value of money? Elaborate with the Present and Future values
8. Why we need GDP measurement? Is GDP enough for measuring and analyzing the economy?
9. Draw the excel sheet with column and row and titles, make a table of three stock portfolio with the ‘unit price’, ‘quantity’, ‘total price’ and ‘total value’ variables. All calculations must be in terms of the excel formula.
10. Draw the circular flow diagram for the economy with all counterparties.
11. What is the international dollar currency? Why we need international dollar currency?
12. Draw the excel sheet with column and row and titles, place year 2011, 2012, 2013, 2014 inflation rates as %8, %7, %6, %5 respectively. What is the equivalent value of 1000 AZN at the beginning of 2011, at the end of 2014? Draw an excel sheet, place all variables, then evaluate with excel formula and calculate.
13. Compare the annual budget of Azerbaijan and the acquisition price of the WhatsApp. What can you say about it?
14. Draw the excel sheet with column and row and titles for the economy consisting of two goods. Place the ‘price’, ‘quantity’ and ‘total spending’ for 3 years. Calculate Nominal GDP in the terms of the excel formula for 3 years.
15. What is the role of interest rate in the economy?
16. Distinguish flow and stock in the economy.
17. Draw an excel sheet with column and row and titles, place the ‘GDP per Capita of Azerbaijan’, ‘members of family’ and ‘average monthly income’ variables to this sheet. Give a value to ‘GDP per Capita of Azerbaijan’ (exact value for 2013) and ‘members of family’ (any number) variables. Evaluate average ‘monthly income’ as an excel formula and then calculate.
18. What is the difference between recession and depression for the economy.
19. Consider the following impacts of inflation: tax distortions,income and wealth redistribution, shoe-leather costs, and menu costs. For each, define the cost and provide an example.
20. Draw the excel sheet with column and row and titles and place the Nominal GDP and Real GDP variables for 3 years. Calculate the GDP deflators and the inflations in terms of the excel formula.
21. Compare new car and new house purchase in the GDP calculation. Why you think that we take one as a consumption and other as an investment?
22. Draw the excel sheet with column and row and titles and make a compound interest calculator for minimum three years as we did in the class. Show the excel formulas.
23. What is the present value for the investment which will give 3000, 4000, 5000 amounts of cash flows in the next 3 years? Interest rate is 6.5%.
24. Explain these concepts. Disinflation, hyperinflation, deflation
25. Draw the excel sheet with column and row and titles for the economy consisting of two goods. Place the ‘price’, ‘quantity’ , ‘total spending’. Calculate Real GDP in the terms of the excel formula for 3 years.
26. What is an IPO? Why companies need it? Elaborate
27. Draw an excel sheet with column and row titles, place the ‘First Investment’, ‘Portfolio value after one year’ , ‘Dividends in one year’ and ‘Yearly return’ variables to this sheet. Give any value to the ‘First Investment’ , ‘Portfolio value after one year’ and ‘Dividends in one year’ variables. Evaluate ‘yearly return’ as an excel formula and then calculate and show result via percentage.
28. Which factors effect the household demand? What do you think why demand is low in the current financial situation in Azerbaijan?
29. Draw an excel sheet with column and row titles, place the ‘First Investment’, ‘Portfolio value after six months’ ‘Dividends in 6 months’, ‘Holding period return’ and ‘Yearly return’ variables to this sheet. Give any value to the ‘First Investment’ , ‘Portfolio value after six months’ and ‘Dividends in 6 months’ variables. Evaluate ‘Holding period return’ and ‘yearly return’ as an excel formula.
30. What does this expression mean for the financial portfolio investment; “Don’t put all your eggs in one basket”? What are the difference between active and passive portfolio management?
31. List any three stock exchanges in USA and give a brief information about companies included and historical progress of these stock exchanges?
32. What are the primary and secondary markets? Elaborate
33. Initial price of the share is 90 $. Throughout the one month period 6 $ dividend was given. At the end of the period price of the share becomes 83 $. Calculate the holding period return and annual return of this investment.
34. A nation records the following data for 2008: exports for automobiles ($100) and corn ($150); imports of oil ($150) and steel ($75); tourist expenditures abroad ($25); private lending to foreign countries ($50); private borrowing from foreign countries ($40); offi cial-reserve changes ($30 of foreign exchange bought by domestic central bank). Calculate the statistical discrepancy and

include it in private lending to foreign countries. Create a balance-of-payments as we did in the class

1. How the investors make a profit from the stock investment? Elaborate
2. Draw an excel sheet with column and row titles, place the ‘First Investment’, ‘Portfolio value after three months , ‘Dividends in three months’ , ‘Holding period return’ ‘Yearly return’ variables to this sheet. Give any value to the ‘First Investment’ , ‘Portfolio value after three months’ and ‘Dividends in three months’ variables. Evaluate ‘Holding period return’ and ‘yearly return’ as an excel formula.
3. What is the balance of international payments. What are the components of the balance of international payments. Which are the ‘ + ‘ and which are the ‘ - ‘ transaction
4. What is a dividend? Why companies give dividends? For what reasons companies decide to give or not to give the dividends for particular year? Elaborate
5. Briefly differentiate stock market investment with bank deposit.
6. Draw an excel sheet with column and row titles, place the ‘First Investment’, ‘Portfolio value after four months’ ‘Dividends in four months’, ‘Holding period return’ and ‘Yearly return’ variables to this sheet. Give any value to the ‘First Investment’ , ‘Portfolio value after four months’ and ‘Dividends in four months’ variables. Evaluate ‘Holding period return’ and ‘yearly return’ as an excel formula.
7. A nation records the following data for 2008: exports for automobiles ($90) and corn ($160); imports of oil ($130) and steel ($95); tourist expenditures abroad ($25); private lending to foreign countries ($50); private borrowing from foreign countries ($40); official-reserve changes ($30 of foreign exchange bought by domestic central bank). Calculate the statistical discrepancy and

include it in private lending to foreign countries. Create a balance-of-payments as we did in the

class

1. Initial price of the share is 100 $. Throughout the three months period 2 $ dividend was given. At the end of the period price of the share becomes 102 $. Calculate the holding period return and annual return of this investment.
2. What are the determinants of supply? Why supply curve does not shift when the price changes?
3. How do you categorize the stock portfolio investment- low risk or high risk investment? Compare with other investments? . Explain the risk and return relationship?
4. Take any good, give 6 pairs of reasonable numbers for ‘price’, ‘quantity demanded’ and ‘quantity supplied’. Show them on the graph and show the market equilibrium.
5. What might increase the demand for hamburgers? What would increase the supply? What would inexpensive frozen pizzas do to the market equilibrium for hamburgers? To the wages of teenagers who work McDonald s?
6. Explain why each of the following is false:
7. A freeze in Brazil’s coffee-growing region will lower the price of coffee.
8. “Protecting” American textile manufacturers from Chinese clothing imports will lower clothing prices in the United States.
9. What are the effects of the taxation in the economy? Why governments need taxes?
10. Who burdens the tax- demanders or suppliers? How is this decided?
11. Initial price of the share is 90 $. Throughout the three months period 2 $ dividend was given. At the end of the period price of the share becomes 85 $. Calculate the holding period return and annual return of this investment.
12. “A good harvest will generally lower the income of

farmers.” Illustrate this proposition using a supply-and demand diagram.

1. The world demand for crude oil is estimated to have a short-run price elasticity of 0.05. If the

initial price of oil were $100 per barrel, what would be the effect on oil price and quantity of

an embargo that curbed world oil supply by 5 percent?

1. Jack and Jill went up the hill to a gas station that does not display the prices. Jack says, “Give me $10 worth of gas.” Jill says, “Give me 10 gallons of gas.” What are the price elasticities of demand for gasoline of Jack and of Jill? Explain.
2. Can you explain why farmers during a depression might approve of a government program requiring that pigs be killed and buried under the ground?
3. Draw an excel sheet with column and row titles, place the ‘Quantity, ‘Price’ , ‘Total Revenue’, variables with two pairs as ‘Old’ and ‘New’. Give the Old Quantity cell **1000** value and New Quantity cell **900**  value and Old Price cell **100** and New Price cell **120** values. Evaluate the ‘Old and ‘New Revenue’ and ‘Coefficient of demand’ as an excel formula and show the mathematical results. Decide whether this demand is elastic or not by the result of the **Old and New Revenue** and explain
4. Draw an excel sheet with column and row titles, place the ‘Quantity, ‘Price’ , ‘Total Revenue’, variables with two pairs as ‘Old’ and ‘New’. Give the Old Quantity cell **1000** value and New Quantity cell **900**  value and Old Price cell **100** and New Price cell **120** values. Evaluate the ‘Old and ‘New Revenue’ and ‘Coefficient of demand’ as an excel formula and show the mathematical results. Decide whether this demand is elastic or not by the result of the **‘Coefficient of demand’** and explain
5. Draw an excel sheet with column and row titles, place the ‘Quantity, ‘Price’ , ‘Total Revenue’, variables with two pairs as ‘Old’ and ‘New’. Give the Old Quantity cell **1100** value and New Quantity cell **800**  value and Old Price cell **100** and New Price cell **120** values. Evaluate the ‘Old and ‘New Revenue’ and ‘Coefficient of demand’ as an excel formula and show the mathematical results. Decide whether this demand is elastic or not by the result of the **Old and New Revenue** and explain
6. Draw an excel sheet with column and row titles, place the ‘Quantity, ‘Price’ , ‘Total Revenue’, variables with two pairs as ‘Old’ and ‘New’. Give the Old Quantity cell **1100** value and New Quantity cell **800**  value and Old Price cell **100** and New Price cell **120** values. Evaluate the ‘Old and ‘New Revenue’ and ‘Coefficient of demand’ as an excel formula and show the mathematical results. Decide whether this demand is elastic or not by the result of the **‘Coefficient of demand’** and explain
7. Draw an excel sheet with column and row titles, place the ‘Quantity, ‘Price’ , ‘Total Revenue’, variables with two pairs as ‘Old’ and ‘New’. Give the Old Quantity cell **1200** value and New Quantity cell **1000**  value and Old Price cell **100** and New Price cell **105** values. Evaluate the ‘Old and ‘New Revenue’ and ‘Coefficient of demand’ as an excel formula and show the mathematical results. Decide whether this demand is elastic or not by the result of the **Old and New Revenue** and explain
8. Draw an excel sheet with column and row titles, place the ‘Quantity, ‘Price’ , ‘Total Revenue’, variables with two pairs as ‘Old’ and ‘New’. Give the Old Quantity cell **1200** value and New Quantity cell **1000**  value and Old Price cell **100** and New Price cell **105** values. Evaluate the ‘Old and ‘New Revenue’ and ‘Coefficient of demand’ as an excel formula and show the mathematical results. Decide whether this demand is elastic or not by the result of the **‘Coefficient of demand’** and explain
9. Draw an excel sheet with column and row titles, place the ‘Quantity, ‘Price’ , ‘Total Revenue’, variables with two pairs as ‘Old’ and ‘New’. Give the Old Quantity cell **1000** value and New Quantity cell **1100**  value and Old Price cell **100** and New Price cell **95** values. Evaluate the ‘Old and ‘New Revenue’ and ‘Coefficient of demand’ as an excel formula and show the mathematical results. Decide whether this demand is elastic or not by the result of the **Old and New Revenue** and explain
10. Draw an excel sheet with column and row titles, place the ‘Quantity, ‘Price’ , ‘Total Revenue’, variables with two pairs as ‘Old’ and ‘New’. Give the Old Quantity cell **1000** value and New Quantity cell **1100**  value and Old Price cell **100** and New Price cell **95** values. Evaluate the ‘Old and ‘New Revenue’ and ‘Coefficient of demand’ as an excel formula and show the mathematical results. Decide whether this demand is elastic or not by the result of the **‘Coefficient of demand’** and explain
11. Draw an excel sheet with column and row titles, place the ‘Quantity, ‘Price’ , ‘Total Revenue’, variables with two pairs as ‘Old’ and ‘New’. Give the Old Quantity cell **1000** value and New Quantity cell **1300**  value and Old Price cell **100** and New Price cell **90** values. Evaluate the ‘Old and ‘New Revenue’ and ‘Coefficient of demand’ as an excel formula and show the mathematical results. Decide whether this demand is elastic or not by the result of the **Old and New Revenue** and explain
12. Draw an excel sheet with column and row titles, place the ‘Quantity, ‘Price’ , ‘Total Revenue’, variables with two pairs as ‘Old’ and ‘New’. Give the Old Quantity cell **1000** value and New Quantity cell **1300**  value and Old Price cell **100** and New Price cell **90** values. Evaluate the ‘Old and ‘New Revenue’ and ‘Coefficient of demand’ as an excel formula and show the mathematical results. Decide whether this demand is elastic or not by the result of the **‘Coefficient of demand’** and explain
13. Draw an excel sheet with column and row titles, place the ‘Quantity, ‘Price’ , ‘Total Revenue’, variables with two pairs as ‘Old’ and ‘New’. Give the Old Quantity cell **900** value and New Quantity cell **1200**  value and Old Price cell **100** and New Price cell **70** values. Evaluate the ‘Old and ‘New Revenue’ and ‘Coefficient of demand’ as an excel formula and show the mathematical results. Decide whether this demand is elastic or not by the result of the **Old and New Revenue** and explain
14. Draw an excel sheet with column and row titles, place the ‘Quantity, ‘Price’ , ‘Total Revenue’, variables with two pairs as ‘Old’ and ‘New’. Give the Old Quantity cell **900** value and New Quantity cell **1200**  value and Old Price cell **100** and New Price cell **70** values. Evaluate the ‘Old and ‘New Revenue’ and ‘Coefficient of demand’ as an excel formula and show the mathematical results. Decide whether this demand is elastic or not by the result of the **‘Coefficient of demand’** and explain
15. We are launching a new pen production business. Prices of the pens are **25 azn** . We purchased a machine for **20.000 azn** and rent a building yearly for **30.000 azn.** Quantity of pens and Variable cost pairs are like the below.

Quantity Variable cost

0 0

1000 5000

2000 8000

3000 9000

4000 14000

Evaluate the Average variable vost, Average Total Cost, Marginal Cost and Profit for all pairs as ane excel formula and show the mathematical result.

1. We are launching a new pen production business. Prices of the pens are **20 azn** . We purchased a machine for **20.000 azn** and rent a building yearly for **30.000 azn.** Quantity of pens and Variable cost pairs are like the below.

Quantity Variable cost

0 0

1000 5000

2000 8000

3000 9000

4000 14000

Evaluate the Average variable vost, Average Total Cost, Marginal Cost and Profit for all pairs as ane excel formula and show the mathematical result.

1. We are launching a new pen production business. Prices of the pens are **15 azn** . We purchased a machine for **20.000 azn** and rent a building yearly for **30.000 azn.** Quantity of pens and Variable cost pairs are like the below.

Quantity Variable cost

0 0

1000 5000

2000 8000

3000 9000

4000 14000

Evaluate the Average variable vost, Average Total Cost, Marginal Cost and Profit for all pairs as ane excel formula and show the mathematical result.

1. We are launching a new pen production business. Prices of the pens are **15 azn** . We purchased a machine for **10.000 azn** and rent a building yearly for **30.000 azn.** Quantity of pens and Variable cost pairs are like the below.

Quantity Variable cost

0 0

1000 5000

2000 8000

3000 9000

4000 14000

Evaluate the Average variable vost, Average Total Cost, Marginal Cost and Profit for all pairs as ane excel formula and show the mathematical result.

1. We are launching a new pen production business. Prices of the pens are **15 azn** . We purchased a machine for **5.000 azn** and rent a building yearly for **30.000 azn.** Quantity of pens and Variable cost pairs are like the below.

Quantity Variable cost

0 0

1000 5000

2000 8000

3000 9000

4000 14000

Evaluate the Average variable vost, Average Total Cost, Marginal Cost and Profit for all pairs as ane excel formula and show the mathematical result.

1. We are launching a new pen production business. Prices of the pens are **15 azn** . We purchased a machine for **5.000 azn** and rent a building yearly for **20.000 azn.** Quantity of pens and Variable cost pairs are like the below.

Quantity Variable cost

0 0

1000 5000

2000 8000

3000 9000

4000 14000

Evaluate the Average variable vost, Average Total Cost, Marginal Cost and Profit for all pairs as an excel formula and show the mathematical result.

1. We are launching a new pen production business. Prices of the pens are **15 azn** . We purchased a machine for **5.000 azn** and rent a building yearly for **15.000 azn.** Quantity of pens and Variable cost pairs are like the below.

Quantity Variable cost

0 0

1000 5000

2000 8000

3000 9000

4000 14000

Evaluate the Average variable vost, Average Total Cost, Marginal Cost and Profit for all pairs as an excel formula and show the mathematical result.

1. We are launching a new pen production business. Prices of the pens are **10 azn** . We purchased a machine for **5.000 azn** and rent a building yearly for **20.000 azn.** Quantity of pens and Variable cost pairs are like the below.

Quantity Variable cost

0 0

1000 5000

2000 8000

3000 9000

4000 14000

Evaluate the Average variable vost, Average Total Cost, Marginal Cost and Profit for all pairs as an excel formula and show the mathematical result.

1. We are launching a new pen production business. Prices of the pens are **15 azn** . We purchased a machine for **10.000 azn** and rent a building yearly for **20.000 azn.** Quantity of pens and Variable cost pairs are like the below.

Quantity Variable cost

0 0

1000 5000

2000 8000

3000 9000

4000 14000

Evaluate the Average variable vost, Average Total Cost, Marginal Cost and Profit for all pairs as an excel formula and show the mathematical result.