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Abstract

The assignment I worked on was for SSE104 Introduction to Macroeconomics course. It is taken mostly by Business Administration and Accounting majors as an elective. We do not have economics either as a major or option at LaGuardia. The assignment discusses the Gross Domestic Product, Components of GDP, the impact of components on each other and the impact of government intervention. The assignment is based on the course learning objectives where the students are expected to learn components of aggregate expenditures: consumer, business, government, and foreign spending. This assignment is expected to fulfill the global learning, inquiry, and problem-solving skills as far as core competencies are concerned. The assignment is expected to take 4-5 hours and would be approximately 5% of the total. Finally, the assignment discusses the impact of war on the economy, business and individuals. The Meaning of War seminar helped in providing insights about war impacts on the economic condition of the affected countries.

Assignment: Economic Impact of War

In this assignment, students will be collecting the data of Gross Domestic Product, Consumption Expenditure, Investment Expenditure and Government Purchases (all real) from the website <https://www.stlouisfed.org/> from 1990 to 2010.

Once the data is collected, then they will be expected to prepare a graph to see the trend.

The third part is to answer the following questions based on the data and graphs:

- Identify and analyze the period of wars in the graph. Also mention the name of the war, with whom it was fought including all the allies and the outcome summary.
- Identify if the government spending increased during those periods.
- Explain if you see any correlation between government spending and Gross Domestic Product and why?
- Does the trend indicate that government spending has affected private expenditure? Provide your reasoning. Make sure to take into the account the “crowding out effect” situation.
- Is there any indication that consumption expenditure fell during the period of wars? Please provide reasoning as to why it would have happened? Make sure to take into account government fiscal policy in your analysis.
- Finally, identify how much difference was observed during the war and non-war periods in GDP?