

MASTER OF LIBERAL ARTS 60633
The Role of Capital in the Domestic and International Economy
 Homework Assignment #2 (2009)

INSTRUCTIONS: Yet again, you are to see if fact is stranger than fiction. On this one, see if investment spending is a major determinant of changes in real GDP. Do they move in the same direction as expected???

DUE DATE: February 4.

Year	GDP	Invest
1972	4105	532.1
1973	4341	594.4
1974	4320	550.6
1975	4311	453.1
1976	4541	544.7
1977	4751	627
1978	5015	702.6
1979	5173	725
1980	5162	645.3
1981	5292	704.9
1982	5189	606
1983	5424	662.5
1984	5814	857.7
1985	6054	849.7
1986	6264	843.9
1987	6475	870
1988	6743	890.5
1989	6981	926.2
1990	7112	895.1
1991	7101	822.2
1992	7337	889
1993	7533	968.3
1994	7835	1099.6
1995	8032	1134
1996	8329	1234.3
1997	8704	1387.7
1998	9067	1524.1
1999	9470	1642.6
2000	9817	1735.5
2001	9891	1629.4
2002	10049	1544.6
2003	10301	1596.9
2004	10676	1712.8
2005	10990	1829.8
2006	11295	1865.5
2007	11524	1808.6
2008	11712	1731.1

GDP is Gross Domestic Product; it is measured in billions of constant 2000 dollars (ERP).

Invest is private investment spending; it is measured in billions of constant 2000 dollars (ERP).