Macroeconomic Theory

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Take Home Question for Midterm Exam #2

This assignment requires evaluation of claims made in chapter 3 or 4 of the *Economic Report of the President 2011* ([www.gpoaccess.gov/eop/index.html](http://www.gpoaccess.gov/eop/index.html)), “The Polarization of Job Opportunities in the U.S. Labor Market” by David Autor or by Sarah Bohn in her talks on Monday night or Tuesday in class. Since these claims form the basis for macroeconomic policy making, their validity will determine the potential effectiveness of the chosen policy. The steps in the project are as follows:

1. Carefully state two claims (hypotheses) about the U.S. economy based on works above. (*E.g.,* “…the Affordable Care Act will remove obstacles to entrepreneurship by enabling Americans to start and join businesses without giving up access to health coverage...” EROP2011, page 63)

2. Present the argument and supporting evidence for each claim.

3. Evaluate each claim. Use and document at least one outside source (such as some of those presented in the “chart of the day” portion of class) to either confirm or contest the claim.

Papers are due on Wednesday, May 11th at the beginning of class. They will constitute 20% of the second midterm exam. **No late papers will be accepted unless officially sanctioned circumstances apply**. All papers must be no longer than three pages, typed, double-spaced, and use a 12 point font with 1 inch margins on all sides. Page limits do not include graphs or tables. Citations should be inline (*e.g*., EROP2011 35 for page 35 of the *Economic Report of the President 2011*.) In addition to the quality of your analysis, grading will reflect the absence or presence of mechanical errors (*e.g.,* spelling and grammatical.)