Daily Assignment # 1

1. Study Ch. 1 and Appendices A1-A3

2. Create a scatter plot of Capacity against Marginal cost in excel using the seven OPEC countries’ data. Use appropriate units, and make sure to properly label the axes, put a title, etc. Label the points that are Venezuela and the Saudi Arabia on the graph.

Especially speak towards who can produce when oil price per barrel is very low, for example 15 dollars barrel, and who cannot.

Which oil exporting countries in the graph would have economic problems when oil prices are 15 dollars/barrel and they rely on oil as source for major income? Can you think of an example of a country in the graph that has problems when oil prices are low?

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| --- | --- | --- | --- |
| **Countries** |  | Production Capacity (thousand barrels/day) | Marginal Cost |
| Venezuela |  | 4400 | 20 |
| Iraq |  | 3700 | 16 |
| Kuwait |  | 3300 | 13 |
| Iran |  | 4600 | 10 |
| Saudi Arabia |  | 12000 | 9 |
| Nigeria |  | 2700 | 7 |
| UAE |  | 3000 | 5 |

An R script is also provided in the DA1 folder on bcourses.

To install R, load excel data into R, produce the scatter plot

Read the solutions doc and replicate the steps to

* Install R and R studio
* get familiar with R
* load a dataset
* produce your first graph in R
* more on R in R studio or online in bootcamp provided in the first weeks and in sections

End DA\_1