

International Business Cycles Assignment 1

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Data Explanation:

According to the data accessibility, I choose the range from 1973Q1-2008Q4 (from 2009, some data are lost), all the data are in **FinalDataX.csv**. Here are some key information about the data:

1. The GDP, Private Consumption and Government Consumption, investment, import and export at constant price are from <http://stats.oecd.org/index.aspx?queryid=206#>.
2. The import and export at current price are from OECD Quarterly National Accounts;
3. Civilian Employment Index is not available.
4. The Real Exchange Rate is from http://www.federalreserve.gov/releases/h10/summary/indexbc_m.htm,
I compute the quarterly data from the monthly data (use average method).
5. Terms of trade is computed as ratio of import prices (exports at current prices over constant prices) over export prices (exports at current prices over export at constant prices)

Denotations:

y: GDP
pc: Private Consumption
gc: Government Consumption
x: Investment (Gross Fixed Capital Formation)
ex: Export at constant prices
im: Import at constant prices
exc: Export at current prices
imc: Import at current prices
p: Terms of Trade
ir: Import Ratio
rx: Real Exchange Rate

Results:

All the results are in the Excel Spreadsheet (**result.xlsx**)

I use R to compute the % std. deviation and the correlation between output and other variables. The code is in **HpRep.R**