

Macro 231 Writing Assignment

Originally, I planned on having your paper relate to chapter 18 and international trade. The appropriate level of free trade has been a major talking point for this presidential debate and I want your paper to be on a topic that is timely. However, with everything happening in the markets and with history-making decisions occurring in monetary policy, a change of focus is in order.

The first part of your assignment is a friendly and informative competition. You will be given \$100,000 of cold, hard, pretend cash to invest in the stock market in any manner you decide.

You must login and establish an account by this Friday, September 26th at 12:00 pm (noon). This is required to complete the paper. The game will continue until October 31st (please note that the game shows a longer duration). On that day we will check the status in the class and the winner will receive a prize (You must be present to win).

- Other than the prize for the highest closing portfolio, your ranking in the game will not affect your grade on the assignment.
- Your grade will be determined by the explanation of the macroeconomic influences on your portfolio's value. – This will be the topic of your paper.
- You will need to make a few purchases with the paper specifically in mind (these are PR or paper requirement stocks).
 - One stock from a company based in another country
 - One stock that is dependent on private investment
 - One stock that sells durable goods to consumers.

Your paper will include, at a minimum:

- ½ page on what GENERAL rational, strategy, or valuation tool you used in selecting stocks and making trades
- 2 pages minimum on monetary policy decisions made during the trading period and how they affected the value of your portfolio. It will be important that you keep track of this during the trading period. This should include a brief explanation of what happened in the macro-climate and how your portfolio was affected. Was there variation in the PR Stocks?
- 1 page on your international stock. How did you decide which country to invest in? What is the value of your stock in the native currency of it's country? How much of an impact have fluctuations in the dollar had on this value?
- 1.5 min pages - Has there been any effect from fiscal policies? If this assignment were for a longer term, how would you expect fiscal policy to affect the value of your portfolio?
- You should have three graphs that aid your explanations. The graphs can be drawn as a visual aid (as in the book) and don't have to be created from actual data.

Your text book should be one of your primary sources of information for this assignment. You will be graded on how well you apply the concepts we are studying. Your paper is your chance to demonstrate how extensive your understanding of macroeconomics and you will be graded accordingly.