

GLOBAL  
EDITION



# Introduction to Econometrics

UPDATED THIRD EDITION

James H. Stock • Mark W. Watson

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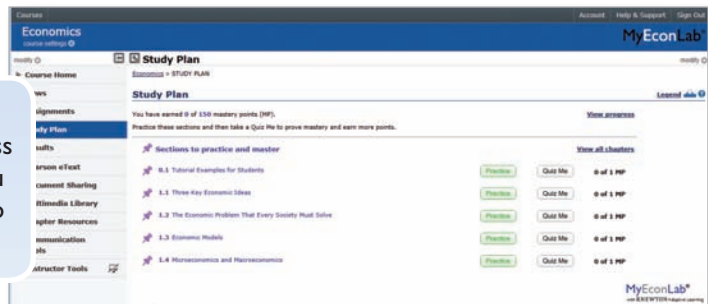
# Introduction to Econometrics

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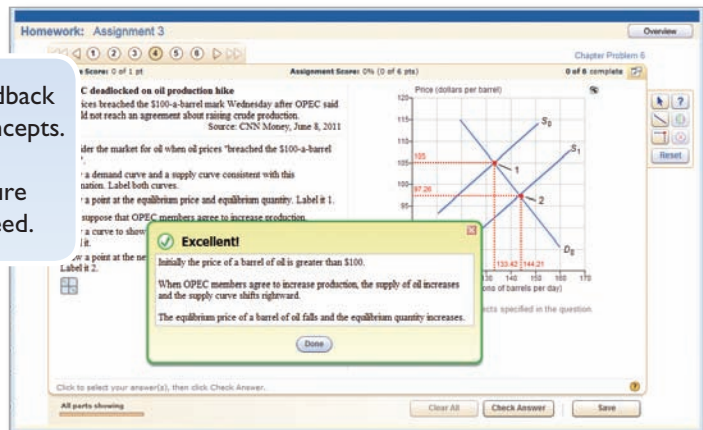
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Assignment Score: 0% (0 of 2 pts)

10/1/13: Government spending Ex1

0 of 2 complete

**Government Furloughs Begin Due to Government Impasse**

Source: Times, Russia, Kathleen Hunter & Michael C. Bender. "Government Furloughs Begin Due to Government Impasse." Bloomberg.com, posted 10/1/2013.

Carefully read the article, and then answer the following questions.

The total amount of money owed by a government is known as a country's

surplus.  
 deficit.  
 debt.  
 assets.

When a government spends more money than it receives in revenue it is said to:

run a surplus.  
 be in balance.  
 run a deficit.  
 have a trade deficit.

**Well done!**  
Deficit spending occurs when a government (or any entity) spends more money than it receives in revenue.

Done

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INSTRUCTIONS EXPERIMENT

Market for Cranberries

1 of 4

PLAY PRINT EXPORT

Free Market

Click Play to start this round.

WTP: \$12.00 You are a Buyer

Your Bid: \$

**CURRENT BIDS AND ASKS**

Your Bid: \$11.50 Highest Bid: \$ Lowest Ask: \$

**TOTAL RESULTS**

Round	Role	WTP	Cost	Buy	Ask	Price	Gain
1	Buyer	\$12.00	\$11.50			\$11.50	\$0.50

Total Gain: \$0.50

**Round 1**

Your WTP: \$12.00  
Transaction Price: \$11.50  
Average Transaction Price: \$11.75  
Total Transactions: 8

OK

Legend: Unrevealed Bid, Revealed Bid, Selected Bid, Buy, Transaction, Your Transaction

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# Introduction to Econometrics

UPDATED THIRD EDITION  
GLOBAL EDITION

**James H. Stock**

Harvard University

**Mark W. Watson**

Princeton University

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