Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Delete this before using. Doable in 1 hour, but difficult.

Answers to Task 6B in another Word doc for distribution the next time.

Any one who considers arithmetical methods of producing random digits is, of course, in a state of sin.

John von Neumann

Barreto

Macro Topics

Job Search and the Unemployment Rate

Open Unem.xls.

Below, pretend like you’re taking the next test and the question is this: Having run simulations for various number of job offers to collect with c = 0.04, point to specific results and numbers in your simulations that support the claim that n\* = 4.

**Wait.**

(Still taking the test.) Is the number of job offers collected responsive or sensitive to the cost of getting a job offer? Explain.

**Wait.**

(One more test question.) Scroll down to the math (starting at row 100 of the *JobSearch* sheet). Does the analytical approach (the math) agree with the simulation approach? Explain, specifically pointing to particular numbers.

**Wait.**

Let’s see how RAND() can be extended. We can embed it in the NORMINV function to get a normal draw.

Go to cell D47 (in the *JobSearch* sheet) and enter this formula: =NORMINV(RAND(),0,1)

Simulate cells A47 and D47.

Go to cell F47 (in the *JobSearch* sheet) and enter this formula: = RAND()

You can simulate all three (or more cells) by selecting them first, then clicking the MC Sim button and checking the Record All Selected Cells option. Try it.

Use the remaining class time to complete Task 6B in the *ToDo* sheet. **Save your workbook when finished.**

So, what impact does increasing the spread of job offers have on the optimal number of offers?

HW: Watch the first screencast in Inflation.xls and complete task 1 by noon Friday. You must prepare a 1 – 2 minute presentation (minimum 60 seconds and maximum 120 seconds) of a comparison of the inflation history of the US with a country of your choosing. Lots of repetition of countries. Consider assigning countries.