Names:			

In-class assignment #1: Economics in the News

In your groups, read through the news article and answer the following questions. You can submit your answers as a group (be sure to include everyone's name).

1. In one sentence, write the research question discussed in the article. Do not copy the research question if it appears in the article. You should paraphrase the author's research question in your own words. Think carefully about how you would explain this to a classmate who has not read the article.

2. In one sentence, state the hypothesis the researcher is testing. Then, write this as a hypothesis test, clearly stating the null and alternative hypotheses.

3. Relate the discussion in the article to at least one economic theory. Draw the appropriate diagram (where applicable), and/or use a specific theoretical relationship from an earlier course. Use this model and related concepts to explain what the researcher expect to find when he/she conducts the hypothesis test above. There should be no reference to data in your answer – this has to do strictly with theory, not empirical observations.

4.	Write one or two sentences briefly describing the data (and the source) used in the study.
5.	Write one or two sentences describing how the author used the data to answer the research question. This may be difficult, but see if you can determine this based on the information provided in the article
6.	 Do you find the researcher's results surprising? If so, then why? If not, then show why the results came out as expected. To justify your answer (whether you are surprised, or not), you must (i) draw on economic models, theories from Question #2 and/or (ii) consider the data/methodology used in Questions #4 and #5
7.	Write a few sentences describing why this research question is of interest to policy makers and the general public. A statement of the research question posed in the article. Do not copy the research question if it appears in the article. You should paraphrase the author's research question (in your own words).
	nber audience awareness. You should also think about how you would present this material to a group is never read this research article. Your target audience would be a group of undergraduate economics

majors who are familiar with intermediate macro and micro theory.