



Dr. Marcel Bluhm  
Assistant Professor of Economics

The Wang Yanan Institute for Studies in Economics  
Xiamen University

---

## Macroeconomics, Winterterm 2012/2013

### Task Assignment Group 5

This assignment requires you to (i) hand in an Excel file to the teaching assistant in which you provide all numerical results and graphs on separate spreadsheets *before* the presentation in class (dates noted on course schedule provided on the syllabus on the website [www.marcelbluhm.com](http://www.marcelbluhm.com)), and, (ii), to set up a presentation (preferably in .ppt format) for class. The Worldbank Database ([www.data.worldbank.org](http://www.data.worldbank.org)) is a valuable source for the data needed in this exercise.

Investigate trade openness of a small set of countries over time:

- 1) Trade openness can be defined as a country's sum of exports (E) and imports (I) relative to its GDP:  $(E+I)/GDP$ . Why is this a good measure of trade openness as opposed to other potential measures involving, for example, a country's net exports?
- 2) Download data on exports, imports and GDP for Bahrain, China, Singapore and the United States over the time period 1980 to 2009.
- 3) Calculate the measure for trade openness for the set of countries and plot the development of all 4 countries on one graph.
- 4) Which (cross-country) differences do you observe between small, trade-oriented economies and big economic blocks (such as the U.S. and China)? What could be reasons for these differences?
- 5) Which developments do you observe over time and what is the impact of the financial crisis which started in 2007/2008?
- 6) Prepare presentation slides for class (for a presentation of 10 minutes) in which you outline your assignment, the concepts you use as well as your interpretation results from exercises 1-5 above. Make sure to also give the data sources you use.