WRITING ASSIGNMENT

Due: The Day of the Final Exam

The writing assignment constitutes 20% of the final grade for the course. The paper should about 3 pages long with one and a half spacing.

The criteria for determining your grade is as follows: organization, clarity of expression, general exposition of the material, and content.

When you answer these questions, please make sure that you include necessary graphs and equations.

**Question 1:** The US Economy is experiencing a huge trade deficit over last few decades. Explain the causes and consequences of this trade deficit on the US economy.

**Question 2:** Under what circumstances the trade deficit is really bad and under what circumstances the trade deficit is not too bad? Explain.