**Kingsley Ogbeide**

**Chapter 5: Problems 1, 5, 6, and 9**

**1)**

A) $66,000
B) S will then become $754.29
C) we can find K by using the regression line method and time series data or cross sectional data.
D) The potential weakness for this model is variable t because it is unknown.

**5)**

2000 | 800 | x x x x
2001 925 x x 800 800
2002 900 x x 913 838
2003 1025 x 875 901 857
2004 1150 x 950 1013 907
2005 1160 960 1025 1136 980
2006 1200 1032 1112 1158 1034
2007 1150 1087 1170 1196 1084
2008 1270 1137 1170 1155 1104
2009 1290 1186 1207 1259 1154
2010 x 1214 1236 1287 1195

B) Five-year moving average = 141.9
Three-year moving average = 78.6
Exponential smoothing (w = .9) = 45.7
Exponential smoothing (w = .3) = 110.9

C) let use the exponential smoothing w=.9 because of the trending factor

**6)** A) In 2010 = 11450 units
B) I think Sales would go from 11450 to 1100, which is about 3.9% reduction/loss
C) I think Sales would decrease from 11450 to 9650 which is about a 30% reduction

**9)** Quarter 1 winter / 8.267 mill
Quarter

2 spring / 12.456 mill
Quarter 3 summer / 14.521 mill
Quarter 4 fall / 10.987 mill

**Chapter 6: Problems 2, 7, 9, and 10**

**2.)**

 I think One step that they could take is calculating how much the average dollar is worth compared to how much their product/services cost this will give them an estimate of how much they will profit or how much they lose. Another thing they can do is to make future investments in stocks, bonds, assets that could possibly help cover their losses, or they can even accept money from other countries as well.

**7)**

Nowin this case, the Japanese Yen decreases in value which will increase their cost significantly. Their cost could jump upwards to 30%. In return, Boeing profit will increase because the Yen is no longer worth as much, and is now cheaper to purchase with foreign currencies.

**9)**

 I think some countries will enjoy an absolute trade advantage based on the real terms of trade. Spain and Portugal will become more competitive than Greece.

**10)**

 Three factors are value at risk, free trade area, and parallel imports.