Teacher Answer Key

Case Study

1. Durable-goods orders fell, workweeks shortened, and the Leading Index dipped—predictive of lower future demand.

2. Revised GDP showed the recession began earlier than thought, teaching that analysts must account for data lags and revisions.

Multiple Choice

1. C

2. B

3. A

Matching

1-E, 2-D, 3-A, 4-C, 5-B

Fill-in-the-Blank

1) leading, 2) coincident, 3) caution

Short Answer (Sample Responses)

Q1: Moving averages smooth out volatility and reduce noise in early data.

Q2: They only confirm changes after they've happened, delaying policy action.

Q3: By blending metrics, composites lessen the impact of any single indicator's misleading signal.