

Additional questions for midterm 2011

1. What are the basic assumptions in Malthus' model? How does the model work? What data is it trying to explain? Describe the time path of an economy in the Malthus model when there is a permanent one time improvement in technology.
2. Describe an AK model with human capital and learning.
3. How does the amount of time studying affect the equilibrium in an AK model with learning? What does this say about the possibility of poverty traps?
4. Explain how to find the balanced growth path in an endogenous growth model with learning. Why is this type of model called an endogenous growth model? What propels growth in this model? What happens if, at some moment, people in this economy decide to work more and study less?