

Name:

QUIZZ 1: Econ 102, Section 2

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Please answer the following 11 questions for 50 points. Be as BRIEF as you can. You have 35 minutes.

1. (8 points) Enumerate Kaldor's Growth Facts (these are facts within one country not across countries).
2. (5 points) How do we compare the outputs of different countries? (this is the way that the Penn Tables do it).
3. (2 points) The interest rate is the price of money. True? False? Discuss.
4. (2 points) The unemployment rate is procyclical. True? False? Discuss.

5. (3 points) What is the development fact about migration?

6. (3 points) What does the evidence show about the relation between economic and population growth? (I am asking about facts not theories).

7. (6 points) What was the “productivity slowdown”? Discuss what role may have been played by the switch from manufacturing to services.

8. (5 points) Growth accounting is a procedure to determine the contribution of different factors to output growth. It imputes residually the contribution of growth of TFP. True, false? discuss.

9. (6 points) What is the evidence for using a constant returns to scale production function in our models?
10. (5 points) Show and derive a property of the Cobb-Douglas production that is restricted by one of the Kaldor facts.
11. (5 points) Assume a Cobb-Douglas production function with capital share (what we have called α) of one third. Assume further that capital grows at four percent per year and labor grows at one percent. What is the growth percent of output in the absence of technical change. Make sure that you show how to arrive to an answer.