Name:

## QUIZ 1: Econ 4, Section 2

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Please answer the following  $12\,$  questions for  $50\,$  points. Be as BRIEF as you can. You have  $40\,$  minutes.

nav	nave 40 minutes.		
1.	(3 points) State one reason why the most popular price indices such as the CPI (Consumer Price Index) or the GDP Deflator mismeasure inflation?		
2.	(2 points) What is the difference between a Laspeyres and Paasche price index.		
3.	(3 points) What is the GDP Deflator and what type of index is it?		
4.	(12 points) Enumerate Kaldor's Growth Facts (these are facts within one country not across countries).		

5.	(5 points) How do we compare the outputs of different countries? (this is the way that the Penn Tables do it)
6.	(3 points) Do countries have the same relative position in the international income distribution? Illustrate with some examples this point.
7.	(3 points) Why are the Kaldor facts and the facts related to international migrations of skilled and unskilled worker important?
8.	(3 points) What was the "productivity slowdown"?

