

Seminar 2 – Week 7

Problem 1: Exercise 3 from chapter 3

Problem 2: Exercise 8 from chapter 3

Problem 3: Briefly explain what is meant by unconditional economic convergence. What forces might be expected to promote convergence (for example, why does the Solow model suggest convergence might occur while the Harrod-Domar model suggests that it will not occur)? What forces might be expected to retard convergence?

Problem 4: What does the Solow growth model predict about long-term growth rates in countries? What does the Harrod-Domar model predict? What aspect of (or assumption in) the Solow model sets it apart from the Harrod-Domar model and allows us to get these different predictions? What is the intuition behind why this difference in assumptions changes the models' predictions?

Problem 5: Exercise 1 from chapter 4

Problem 6: Exercise 2 from chapter 4

Problem 7: Exercise 4 from chapter 4

Problem 8: Exercise 7 from chapter 4