**Econ model questions – 3**

1. "If the two countries have the same rate of investment but the different levels of income, the country with lower income will have higher growth" Explain this concept and give examples.
2. "If the two countries have the same level of income but different rates of investment, then the country with a higher rate of investment will have higher growth". Explain this concept and give examples.
3. How countries can shift their steady state level of capital to the right and increase their output per worker? Draw the graph and explain in detail.
4. Using the Cobb-Douglas production function explain the role the "fraction of output invested" (gamma) over the output per worker.
5. Using the Cobb-Douglas production function explain the role the "depreciation rate" (gamma) over the output per worker.
6. Explain the theory of Malthusian model.
7. Discuss the breakdown of the Malthusian model.
8. Draw a graph and explain the relationship between income per capita with population size and population growth.
9. What is capital dilution? Explain in detail.
10. Using the formula explain how the population growth affects capital accumulation.
11. Draw the graph that incorporates with population growth.
12. What do you understand by saying "human capital earns return"?
13. Draw a graph and explain the impact of health on the level of income per capita.
14. Draw a graph and explain the impact of income per capita on health.
15. Draw a graph and explain health multiplier effect.
16. In what ways is human capital similar to physical capital? In what ways are they different?
17. Why health is considered an element of human capital? How does human capital in the form of health differ from human capital in the form of education?
18. What does it mean to say that health and income are simultaneously determined?
19. Why is measuring productivity more difficult than measuring output, physical capital, labor, and human capital?
20. What is development accounting?
21. What is growing accounting?
22. How important are factor accumulation and productivity in explainin difference in the level of income among countries?
23. How important are factor accumulation and productivity in explainin difference in income growth among countries?
24. Draw the graph and explain possible sources of differences in output per worker.
25. If income increases how does it affect health? Draw the graph and explain in detail.
26. What is productivity? Use formula explain it in detail.
27. Explain the role of productivity in the production process. Use formula and examples.
28. Draw graphs and explain possible sources of differences in output per worker
29. Derive formula and explain productivity differences among countries
30. y1 / y2 = ( A1/ A2) ( k1a h11-a / k2 a h21-a ) this is a formula explains output per worker differences among countries. Explain does it mean?
31. A1/ A2 = (y1 / y2) / ( k1a h11-a / k2 a h21-a ) this is a formula explains productivity differences differences among countries. Explain does it mean?
32. Analyse productivity differences among countries. Country 1’s output per worker is 30 times as large as that of Country 2, its capital per worker is 125 times as large, and its human capital per worker is 27 times as large and a = 1/3. Explain your finding.
33. Explain Hong Kong and Singapore economic growth examples and emphasise the importance of productivity.
34. What is development accounting? Explain in detail and give an example.
35. What is growth accounting? Explain in detail and give an example.
36. When we say technology is nonrival what does it mean for you? Explain in detail and give examples.
37. What is excludability of the technology? Explain in detail and give examples.
38. What are the determinants of R&D spending?
39. What are the problems facing a firm that is deciding whether to do R&D and how much.
40. What is creative destruction? Explain in detail and give examples.
41. What are the forms of intellectual property protection? Explain in detail and give examples.
42. What kind of problems are there in patent system? Explain in detail and give examples.
43. What are the alternatives to patent? Explain in detail and give examples.
44. In one country model draw a graph and explain the effect of shifting labor into R&D
45. In one country model using formulas explain the relationship between technology and growth.
46. Draw a graph and explain in detail the effect of an Increase in R&D in the follower Country on the Steady State.
47. Draw a graph and explain in detail the effect of an Increase in gA,2 on productivity and output.
48. Explain the differences between neutral technological change and capital – based technological change. Draw graphs and explain in detail.
49. What is tacit knowledge? Why it is considered very important? Explain and give examples.
50. Explain the concepts of embodied technological progress and leapfrogging and give examples.
51. What is efficiency? How are efficiency, technology, and productivity related?
52. How does the evidence from the former Soviet Union support the view that central planning is inefficient?
53. What is rent-seeking behavior? How does it lead to inefficiency?
54. List the reasons for the misallocation of factors among sectors.
55. What is technology blocking? Why is this an important source of inefficiency in developed countries?
56. There are two countries, A and B. Productivity in Country A is three times as high as productivity in Country B. Technology in Country A is five times as high as technology in Country B. How does efficiency in the two countries compare?
57. What are the source of large differences in productivity within an industry in developed countries such as USA, Japan and Germany?
58. What are the types of inefficiency? Explain in detail.
59. “One type of inefficiency occurs when resources are diverted from productive to unproductive activities”. Explain in detail the meaning of this phrase.
60. “A second form of inefficiency results when labor or capital is simply not used at all”. Explain in detail the meaning of this phrase.
61. Explain the concept of “misallocation among sectors”. Draw graphs and explain in detail.
62. Draw a graph and explain overallocation of Labor to Sector A.
63. How does being open to the world economy affect a country’s economic growth?
64. What are the particular channels through which openness affects growth?
65. Why it is important for an economy to be “open” to the world market?
66. What is the concept “ law of one price”? Explain in detail and give an example.
67. Explain in detail the most common forms of trade restriction.
68. Explain in detail the effect of openness on economıc growth.
69. How changes in openness affect growth? Explain in detail.
70. Explain the effect of geographical barriers to trade.
71. Explain the relationship between openness and technological progress.
72. Explain the relationship between openness and efficiency
73. How can the law of one price be used to assess the degree of economic integration of two countries?
74. What determines the types of goods that a country imports and exports?
75. A UK citizen buys shares in a company based in Japan. How is the dividend income from the shareholdings counted in UK GNP and GDP?