

(Extra) Office hours for next week - TBA via email

Goals for this session

- Review Endogenous Growth Model
- Discuss per-capital growth policies
- Begin Midterm Review?

Endogenous Growth Model

- Why is the y axis a 'logged' variable?
- Note how this model is similar to the one-period GE model in the sense that we have households and firms - first we solve for firm profit maximization, then plug into the household problem.

Problems

1. Endogenous Growth Model: How would a lump-sum tax on Consumption to improve education affect the model's 'consumption path'?
 - (a) Under what conditions will this policy be optimal from the social planner's perspective?
2. Explain how each of the following might benefit per-capita GDP growth and then give a counter-argument
 - (a) Trade Agreements
 - (b) Charter Cities
 - (c) Environmental Planning
 - (See Gwen's solution on canvas for her complete answer to this question)