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ECON 4350 – Growth and Investment – Fall 2011

Seminar 6 (week 47) – November 21

(Examples of problems that **might** be given on the exam)

**Question 1**

- i) Give a short survey of how technological progress has been incorporated in various growth models.
- ii) Explain in what way technological progress will matter for the inter-industry structural changes that have been observed in developed economies.

**Question 2**

Growth models differ in how an economy's production structure is being modeled. Explain how the growth prospects might be affected by the nature of the economy's production structure.

**Question 3** (Problem 1 in 2009 (ordinary) – 50%)

In your own words, what are the main differences between the putty-clay model and the standard neoclassical growth model ("the Solow-model")? Try also to explain how these differences manifest themselves in the growth process implied by the models.

**Question 4** (Problem 2 in 2009 (ordinary) – 50%)

During periods of economic growth, the industry structure in a modern economy (say that between primary, secondary and tertiary sectors) will change. Discuss the causes and explain the consequences of such structural changes.

**Question 5** (Problem 1 in 2009 (delayed) – 60%)

Both within and between industries significant structural changes take place during a process of economic growth. Explain how and why!

**Question 6** (Problem 2 in 2009 (delayed) – 40%)

Outline what you consider as important ingredients and issues in evaluating what is called "optimal economic growth".

**Question 7**

You have been asked to join a group of economists whose task is to come up with growth prospects of the Norwegian economy during the next 50 years when taking into account demography, industry structure and the financing of welfare programs (health care, pensions etc.). Sketch the main elements you then would have included in a growth model to analyze this issue.

**Question 8**

Discuss the statement "economic growth will always exhibit a uniform or proportional development".

**Question 9**

Explain and analyze the relationship between technological progress and investment.