

# Question for seminar 5

11th November 2009

## 1 The neoclassical growth model

1. Do exercises 8.26 - 8.29 in Acemoglu's book. (You may want to refer to section 8.6 in the book). In 8.29 and 8.30 you should stick to the discrete-time version of the model. In 8.28 (b)  $\tau$  is a tax on the net return on capital (after depreciation). The proceeds are distributed as lump-sum transfers to the households. Before you consider the effect of an anticipated change in the tax, you should consider the effect of a constant tax rate.
2. Do exercise 8.36 in Acemoglu's book

## 2 Stochastic growth models

Do exercises 17.2 and 17.3 in Acemoglu's book.