

University of Connecticut
College of Arts and Sciences
Department of Economics
Christian Zimmermann

Fall 2010, Intermediate Macroeconomics, section 4

ECON 2202 Quiz III

General recommendations:

- Read questions thoroughly.
- Please respond on this copy.
- You have 20 minutes.
- Work individually.
- There are two pages.
- Good luck!

Your name:

1. Circle the appropriate answer on each of the following items. Circle multiple items if necessary:
 - (a) In a Malthusian economy: 1) poor people have more children; 2) capital is irrelevant; 3) deadly diseases improve the standard of living; 4) population grows without bounds.
 - (b) What is true according to Kaldor? 1) the marginal product of capital has been decreasing over the last century; 2) the labor income share has no trend; 3) democratization leads to higher growth rates; 4) in the long run, all countries tend to have similar output growth rates.
 - (c) What is true according to Paul Romer? 1) inflation is bad for growth; 2) world population will level off; 3) capital accumulation is sufficient to explain sustained growth; 4) rich countries attract more migrants.
 - (d) Which policy recommendation(s) can improve the standard of living in a Malthusian economy? 1) install sewer systems; 2) advocate abstinence; 3) summarily execute people; 4) launch an immunization campaign.
2. What do we know about the capital/output ratio in the long run?

3. What happens *immediately* when there is a sudden population drop in the Malthusian model? Explain.
4. What happens *in the long run* when there is a sudden population drop in the Malthusian model? Explain.
5. What is the intertemporal aspect of the Malthusian model?