

Macroeconomics 2014

Short Reading Assignment

Due: June 17th in class

You are strongly encouraged to discuss the answers in your study group. But each student must submit your own answer after the discussion.

1. In the Standard Solow model, explain how a higher population growth rate affects the GDP per capita at the steady state by using a graph.

2. Read the paper by Alwyn Young " The Gift of Dying: The tragedy of AIDS and The Welfare of Future African Generations". Quarterly Journal of Economics, May 2005, pp423-466. (The paper is put on the class website. Please use this version since it has nicer graphs.) Some of the section of the paper is quite technical and difficult for you. Thus, for those sections, it is highly recommended to skip those sections. Then, answer the following questions. For Japanese speaker, you may write your answer in English. For English speaker, it is recommend to write your answer in English.

(a) In the abstract, what is the author's claims? Summarize author's claim in one paragraph.

(b) Read the Section 1 of the paper which is an introduction. In Figure 1, what did the author want to say? Explain.

(c) In the second paragraph of the introduction, the author states that recent studies of Black death in UK argues that one important economic factor increased women's labor market participation and lowered the fertility rate. What is this one important factor? Explain.

(d) In the third paragraph of the introduction, what is the author trying to say. Explain.

(e) In the section 6, simulation, what is the author trying to do? Explain.

(f) In the pink triangle mark in the figure 6.4, what is the author trying to show? What does "full education" on this graph mean?

(g) In Table III, in the second column and the second row, it says 6.6. What does this 6.6 mean? Give more concrete interpretation to this number.

(h) In Table III, in the third column, what is the author trying to say? Why is the number in column decreasing as you go downward in the third column. Explain.

(i) In the last section, which is conclusion, the author put figure 8.1 By figure 8.1 what is the author trying to say?

(j) How is the figure 8.1 related with the author's conclusion. How is it related with the Solow model's conclusion?

(k) Summarize the author's conclusion in one paragraph.

(l) Criticize this paper and give two reasons.

(m) Do you agree with analysis of this paper? Answer and explain why in two paragraphs.