

Exam

Exam SØK2007 June 2022, 4 hours

Answer all 4 questions. Weights for all questions given in parentheses.

Question 1 (25%) Country Comparisons

Income per capita is a standard approach to comparing the economic development of countries. Discuss the suitability of using this approach.

Question 2 (25%) Growth

What do we mean by convergence? Demonstrate and discuss the long-run predictions of the Solow Growth model.

Question 3 (25%) Agriculture

Why do tenancy agreements generate stronger incentives than sharecropping arrangements? Why might farm workers and/or farm owners still prefer sharecropping arrangements?

Question 4. (25%) Poverty Traps

How can population growth lead to poverty traps?

How can poor nutrition lead to economies being trapped in a low productivity – low income equilibrium?