

**Economic Growth
ECO362 – Winter 2013
MIDTERM COVERAGE**

DATE, TIME AND LOCATION

Exam	Weight	Date	Time
Midterm	40%	23 Oct	10-12 noon, location SS 2117

TOPICS AND ASSOCIATED CHAPTERS AND READINGS

1. Facts and Framework
 - Weil Chapters 1 and 2
 - Richard Easterlin , [“The Worldwide Standard of Living Since 1800”](#)
2. The Solow Model
 - Weil Chapters 3 and 4.2
3. The Malthus Model and Population Growth
 - Weil Chapter 4
4. Human Capital
 - Weil Chapter 6
5. Technology
 - Weil Chapter 8
 - Robert Gordon, [“Why Innovation Won't Save Us”](#) Wall Street Journal, Dec 21st, 2012. (can also be accessed via the library. A pdf version is under Course Materials/Readings)
 - [“Has the ideas machine broken down?”](#) , The Economist magazine, Jan 12th, 2013

Readings

For each of the required readings I will expect you to be able to summarize and critically evaluate the main arguments and results of the paper. You will be tested on this in the exams.

The assigned readings and textbook chapters are meant to be more comprehensive than the material presented in class. You are responsible for learning any information presented in class **and** assigned in the readings. For the textbook chapters you are expected to cover the appendices and any box inserts in the chapter.

For all the growth models you need to know

- All the derivations covered in class
- The assumptions of each model

- Why we make these assumptions
- Predictions
- Evaluation (are these predictions in the data or not etc.)
- The effect of changing the parameters of the model

You should be able to do the math as well as explain the intuition behind your arguments.

The format of the exam will be a mix of problems, derivation, and analysis through short answer questions.

Tips for studying for the midterm:

- Go over all the class notes, readings and related chapters in textbooks
- Do the problem set questions and questions at the back of the textbook
- Do the derivations of each growth model on your own, making sure you understand the various steps involved instead of memorizing them.
- Pay equal attention to understanding what the predictions of the growth model are and how dependent they are on the parameters of the model.
- Make sure you can understand the effects of changing the parameters of the growth model. A model is just a tool to help us understand how the world works. We need to understand how and why we build this model and so the math is important but ultimately the test of a good model is how well it fits reality. So you need to know what the predictions of the model are and be able to evaluate the models.
- You will also get short essay questions so make sure you read the notes, readings and textbooks to prepare for such questions
- The emphasis of the short answer questions will be on critical analysis. Please be precise and succinct in your answers.