

Do not write your name on the assignment. Write your name only on the back of this sheet of paper and staple your answers on the front of this sheet of paper. Your assignment will be typed, except graphs can be drawn by hand and mathematical equations can be done by hand. Failure to follow these directions will cost you 1 point on the assignment and failure to type it will cost you 10 points.

- 1) (20 points) *A large gender inequality can slow economic growth.* Give at least two reasons why this is a true statement.
- 2) (30 points) The Basic Human Needs (BHN) approach to development says that the basic human needs should be available to all people and the government should intervene if they are not. Explain both the logic behind this approach and a problem with it.
- 3) (10 points) What is the economic reason why socialist economies are not likely to develop?
- 4) (20 points each) Explain why each part is an economic reason for government interference in the market. What are the potential problems with the argument?
 - A) Infant industry.
 - B) Underdeveloped institutions.