

Place your name on the back of this sheet of paper and nowhere else. Staple your answers on the front of this sheet of paper. Failure to follow these directions will cost you 1 point. Your assignment will be typed, except graphs can be drawn by hand and mathematical equations can be done by hand. Failure to type it will cost you 10 points. If you use double-sided printing or print on the back of scrap paper, I will give you one additional point.

- 1) (10 points) Which part of my web page, <http://www.WCsaplarJr.info/> do you think will be most helpful? Why? Is anything missing that you would like to see? What is the URL for the first exam from this class during the last semester it was taught? If you were a sophomore Managerial Economics major, what classes do I recommend you take this semester?
- 2) (15 points) Briefly explain how we determine whether a country is an LDC. There are several problems with doing this. Explain why it is hard to measure.
- 3) (15 points) Why don't we use exchange rates to convert GNI per capita from one currency to US\$?
- 4) (20 points) Suppose that a country has a life expectancy of 65, mean schooling of 10 years, 14 years of expected education, and a GNI per capita (PPP 2011 US\$). Calculate the HDI for the country. Show all work. Note the copy of the book I have, has the wrong goalposts for several of the variables. Look up the correct goalposts for the HDI from the UN's webpage. Given the number you calculated, what is this country's level of development? State how you reached that conclusion.
- 5) (20 points) The millennium development goal 1A listed on Page 47 says, "Halve between 1990 and 2015 the proportion of people whose income is less than one dollar per day. Did they succeed? If you headed a government back in 1990, how would you have tried to achieve this? Explain how your proposal would achieve the goal.
- 6) (5 points) The growth equation on Pages 68 - 69 is virtually the same as you had in ECON 302. However, the values for W_L (i.e. a_N) and W_K (i.e., a_K) are different between the books and the economic interpretation of W is slightly different from a . Explain why $W_L < a_N$.
- 7) (15 points) Explain why both economic stability and political stability are necessary for growth.