

All parts of the assignment will be turned in at the end of the lab. 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 10 points. 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) (15 points) Explain why measuring the poverty gap is a better measure of the poverty problem than the headcount of people below the poverty line.
- 2) (25 points) Explain the difference between promoting growth and pro-poor growth. Why might a developing country not want to adopt the most advanced technology in a new factory? Explain your logic.
- 3) (15 points) One proposal for helping the poor is conditional cash transfers. What is that? How does it work?
- 4) (15 points) How does improving the healthcare system help the poor to become better off? Explain your logic.
- 5) (10 points) Why is helping the poor in a developing country so hard to do? Explain your logic.
- 6) (20 points) Which declines first, the crude birth rate or the crude death rate? Explain why that occurs by mentioning what causes both of them to decline.