

Place your name on the back of this sheet of paper and nowhere else. Staple your answers face up 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) (5 points) Your book is copyright 2013. It says that some people feel that there is a new fourth stage of epidemiological of transition. What is it? What event in the past few years supports that theory?

2) (20 points) What is meant by DOTS? How is it done? How can it reduce the incidence of diseases? Why might partial use of use of antibiotics cause an increase in disease in the future?

3) (25 points) Suppose a project takes two years to build. It costs \$2000 per year. After that, the project will make \$400/year for 10 years. Then the building could be sold for \$500. Suppose you want to get at least a 10% return. Setup the net present value calculation to determine whether the project would be worth doing. Briefly state why you put each number where you put it. Without doing the calculation, explain how you would determine whether or not the project is worth doing. If I had asked you to calculate the return rather than giving you a minimum return, how would your answer change? Explain your logic.

3) (15 points) The table on Page 357, really should have a “Row 4” which includes both the shadow price of the wages and the exchange rate. Calculate the values in the first two columns. Show all work and briefly explain what you did. Do not worry about calculating the last column.

4) (15 points) When doing the NPV using the shadow prices, the adjustment for the wages always increases the return on the project. Explain why that is true. However, the adjustment for the exchange rate might increase or decrease the return. Explain how it could go either way.

5) (10 points each) Answer each part in separate paragraphs. For each item, explain how it could deter investment.

A) Rent seeking

B) A law like the one in Egypt:

<https://www.lexology.com/library/detail.aspx?g=39044145-7edc-43e6-9b74-17f5e3f68ae3>

Warning about the article. If you go to the webpage twice using the same computer & web browser, the article will not open. (It will make you login.) There are three solutions to this problem. 1) Open it one time and keep it open until you are done answering the question. 2) The second time you open it, use a different computer. 3) The second time you open it, use a different web browser.