

**Economic Growth
ECO362 Winter 2013
FINAL COVERAGE**

DATE, TIME AND LOCATION

Exam	Weight	Date	Time
FINAL	40%	Thu 19 Dec	EV 7-10

Last Name	Location
A-DAI	NR 25
DAU-Z	ST VLAD

Please confirm details are: <http://www.artsci.utoronto.ca/current/exams/dec13>

TOPICS AND ASSOCIATED CHAPTERS AND READINGS

The exam is **cumulative** so everything covered from the first day of class to the last is on the exam. You are responsible for learning any information presented in class or assigned in the 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. There will be at least 1 question from the readings on the final.

1. Facts and Framework
 - Weil Chapters 1 and 2
 - Richard Easterlin , "[The Worldwide Standard of Living Since 1800](#)" (JSTOR needs to be accessed with a UofT ip address, use VPN if off campus)
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 Chapters 7, 8 and 9
 - Robert Gordon, "[Why Innovation Won't Save Us](#)" Wall Street Journal, Dec 21st, 2012 (pdf version attached under reading list on Blackboard)
 - "[Has the ideas machine broken down?](#)", The Economist magazine, Jan 12th, 2013
6. Efficiency
 - Weil Chapter 10
 - Clark and Wolcott, "[One Polity, Many Countries: Economic Growth in India, 1873-2000](#)"
7. Trade and Growth
 - Weil Chapter 11
 - Dani Rodrik "[How Far Will International Economic Integration Go?](#)"
8. Inequality
 - Weil Chapter 13
 - Sokoloff and Engerman, "[History Lessons: Institutions, Factors Endowments, and Path of Development in the New World](#)" (JSTOR needs to be accessed with a UofT ip address, use VPN if off campus)
9. Institutions
 - Weil Chapter 12
 - Acemoglu, Johnson, and Robinson, "[Understanding Prosperity and Poverty: Geography, Institutions and the Reversal of Fortune](#)"
10. Geography
 - Weil Chapter 15
 - Jeff Sachs, "[Institutions Matter, but Not for Everything](#)"

Growth models: 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. Make sure you know when to use which model and how to use the models to understanding growth. **This is very important as the final will focus more on this.** Do

not ignore the derivations, but make sure you understand (and can communicate in writing) what is happening in the model and why.

The format of the exam will be similar to the midterm.

Tips for studying for the final:

- 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. There will be at least one question from the readings so make sure you do them.
- The emphasis of the short answer questions will be on critical analysis. Please be precise and succinct in your answers. Quantity is not a substitute for quality.