Statistical Report for Exam 1

Mean   86
Median   89
Std. Deviation 13.8

Grades (raw data):

108	86
103	83
102	78
100	77
100	77
94	76
93	71
91	71
89	53
89	

Some brief comments on the exam:

Question 1:

> Part b.iii: $k^* = 32$, $y^* = 4$, $c^* = 2.72$

> Part c: the rate of growth of Y/N at the steady state is 3%.

Question 3: In this question, and all other similar situations, make sure to clearly distinguish between **cause** and **effect**. For example, it might be reasonable to say that (certainly, for example in the period 1948-1979) increases in labor productivity led to increases in hourly wages. But if you say that increases in wages led to increases in productivity, then you have to make a case. Put a bit differently: lack of food leads to hunger. But does hunger lead to lack of food?