

ECON 430 Sample Midterm Questions (Winter Term 2010)

The Midterm will be held on Wednesday, March 3 (in class). Grades will be given for the style and content of your responses. Explicit references to the readings, empirical evidence, or theoretical models may help your responses, but they will not be necessary or sufficient. The questions on the midterm will be similar in style and content to those provided below.

- (1) “The question of stationarity in long run historical time series is really nothing more than a question of parameter stability in linear and quadratic trend models.”

Write a short essay in which you explain why you agree or disagree with this statement?

- (2) “Because so few Americans held stocks on the New York Stock Exchange, and the total amount of wealth lost during the October 1929 crash turned out to be so small, the collapse of the US equity market in the fall and winter of 1929 could not possibly have been more than a minor, albeit fascinating, effect of the economic collapse that was the Depression.”

Write a short essay in which you explain why you agree or disagree with this statement?

- (3) Write a short essay in which you explain why there may be a connection between the existence of a Resource Curse and the presence of Dutch Disease in resource intensive economies. In your response you should explicitly reference empirical evidence that either supports or calls into question the connection.

- (4) Did discontinuities in information processing technologies trigger an increase in US High School graduation rates, or did the increase in human capital accumulation trigger these technological discontinuities? Explain.