

Examination Guidelines Subject Area 1

There will be two Examinations, one for each of the two subject areas. Here are detailed guidelines for the **first exam**. You will have 55 minutes for this exam. Time management is part of the exam, and of the educational process.

There will be 4 questions, one question per each segment of [1], as follows:

1. Textbook, assigned chapters & *Packet 2025*, pages 10-14 [29 points]
2. Group 1 [29 points]
3. Group 2 [13 points]
4. Group 3 [29 points]

Some tips/sample questions

Note that, inevitably, **there will be some overlap among the questions**. Also, below are *sample questions*. In practice, I may devise a question that is, say, a combination of b and c in Group 3. Or, indeed, the wording may be different, especially for Group 1. So, do not expect to get a question which is exactly worded as in, say, Group 2, a. Moreover, for textbook questions, I may add a few things that we will have done in class.

1. Textbook

- a. Question 3, p. 214.
- b. Questions 7 and 8, p. 238.
- c. Question 2, 6, and 8 (exclude section c for question 8), pp. 259-260.

2. Group 1

- a. Advances in AI have led to overoptimistic assessments like “it can be great not only for companies but for humankind.” On the other hand, many concerns have been raised about its implication for inequality. The implications of AI for growth and productivity remain uncertain, too. Briefly summarize the concerns, and policy measures proposed to achieve some of the optimistic goals.

3. Group 2

- a. What is the “productivity-pay gap” phenomenon, and what are some of the factors that explain it? What is meant by “moral policy”?

4. Group 3

- a. What are some of Stiglitz’s arguments, plus what are some of the issues related to inequality and growth, and/or environmental issues and growth? (readings 10, 7, and 11)
- b. What are the assessments of the potential effects of COVID-19 on economic growth? (readings 12, and 13)
- c. Productivity issues. (readings 11 and 14)

The exam will start at 1:55 PM on September 23 in our regular classroom. Please make sure to bring a calculator and a ruler with you. I will give you a printout of [1] and [1E]. After the exam, we will take a 10-minute break and then resume class.

Please note that the answers to end-of-chapter *Questions and Problems* in the Blanchard textbook are available on Nexus.