

**Due:** Thursday, May 21<sup>st</sup>, e-mailed to me by no later than 1:55 PM EDT in **one** single **pdf** file. Make sure your **file-name** has this format **Yourlastname Assignment 2** (e.g., Smith Assignment 2).

**Weight:** 20%

**Presentation:** *All material must be typed (exceptions: graphs and equations may be drawn/written by hand and then photographed and embedded into the pdf file). All graphs must be clearly labelled, and preferably drawn on graph paper. You can generate professional graphs in Excel or other software. The presentation of ALL material must adhere to professional standards. You will lose points for shabby presentations.*

1. [16 points] Chapter 6, Question 2, p. 145 of the textbook. Make sure to include in your answer **two graphs** of production possibility frontiers, relative price lines, and indifference curves, one graph for part **a**, and one graph for part **b**.
2. [23 points] Chapter 6, Question 9, p. 146 of the textbook. Make sure to include in your answer **three graphs** of productions possibility frontiers, relative price lines and indifference curves, one graph for the U.S., one for China, and another one for India. (Make sure the slopes of relative price lines are consistent across the three graphs.)
3. [12 points] Chapter 7, Question 7, p. 168, textbook. (You must refer to Figure 7-4, and the significance of point  $C_0$ , as indicated in the question.)
4. [16 points] Chapter 8, Question 2, p. 212, textbook (note that here we are talking about the **three** countries forming **one** integrated market). You **must** show **all** your calculations.
5. [33 points] This question is about the current crisis in the world economy brought about by the US-Israel attack on Iran. Many scholars have argued that globalizatin has had beneficial effects in terms of economic efficiency. However, absent strict adherence to international law, plus other factors, globalization has made the world economy more fragile and more vulnerable to shocks than before. Thus, policymakers in some countries have started thinking seriously about “industrial policy.” Start by reading chapter 12 of the textbook. Then read the five linked articles in the indicated order (article 5 is the most up-to-date). Based on these readings, and any other articles that you wish to consult, write a three-page<sup>1</sup> **executive summary** to *critically analyze* industrial policy. **Stay away from generalities and “opinion”; be very specific and evidence-based!** [For guidance regarding how best to proceed, check the section that I have highlighted on page 3 of the Dani Rodrik article–“Article 1”.]

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<sup>1</sup>Typed, double-spaced, one-inch margins all around, Times New Roman 12-point font formatted for 8.5 by 11 paper, absolutely not to exceed three pages. You may put your bibliography, and any additional material, such as charts, tables, etc., on pages 4 and beyond.