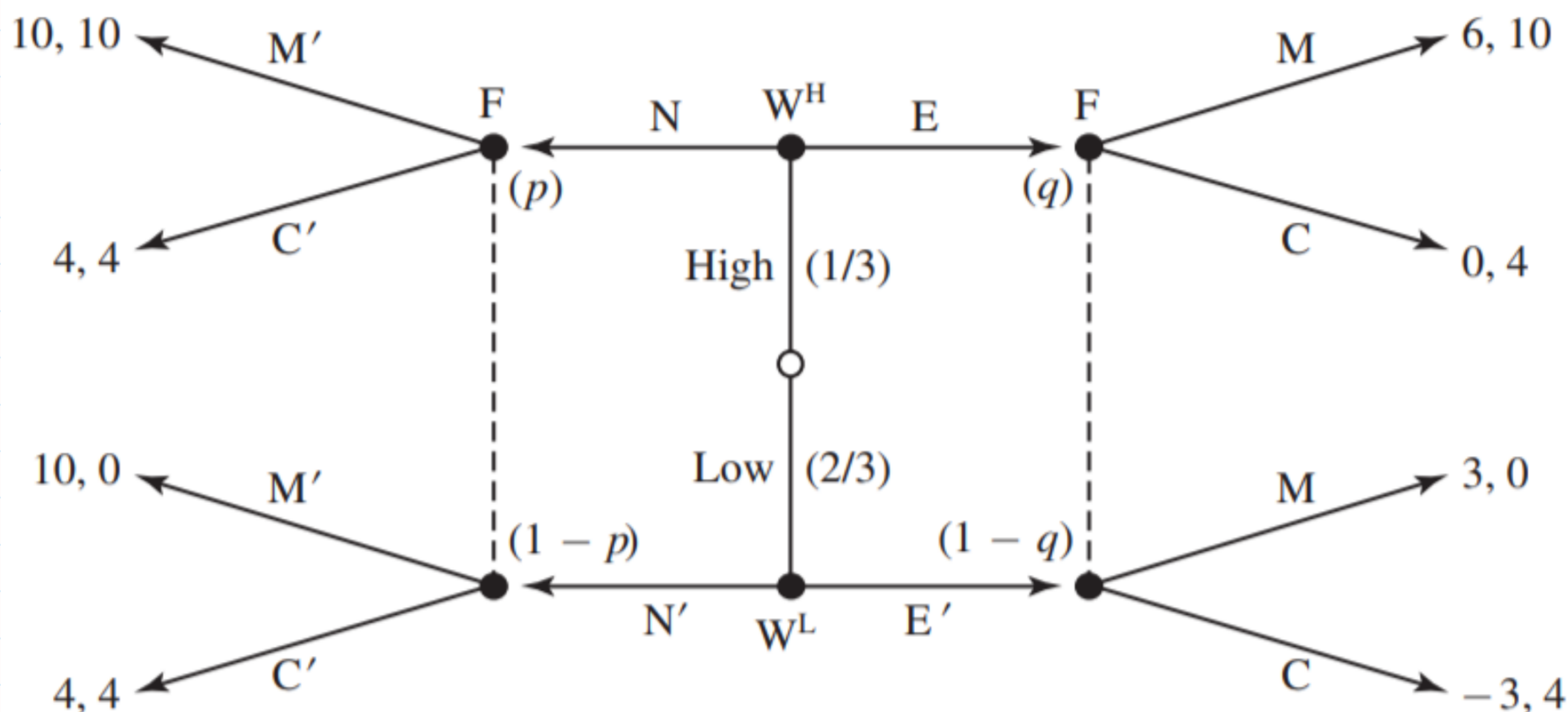


Passed Solution review

1. Consider the job-market signaling model analyzed in this chapter. Would an education be a useful signal of the worker's type if the types had the same education cost? Explain your answer.



No, there would be no separation because BR would always be to get an education which makes education level a useless signal.