ECN-100: Homework Week 8:

1. *Inequality and Economic Growth*. According to some Economists, as countries becoming more and more developed, the gap between the rich and the poor is becoming wider.
2. Do you agree with that statement?
3. What do you think are the positive effects of the economic growth in the US? (state three)
4. What do you think are the negative effects of the economic growth in the US? (state three)
5. What do you think of the income-wealth inequality in advanced economy such as the U.S. compare to China and India (growing economies)?
6. *Car Loan.* Randy is getting a car loan, he is aiming at a simple and practical car, priced at $15,000. He has cash enough to pay down payment of $3,000 (20% of the price), the rest $12,000, he has to finance it. At 3% APR, calculate what will be his monthly payment for a 3-year loan.

3*) Life Insurance*. An insurance agent is calculating a monthly premium for Randy’s life insurance. According to Statistics, his life expectancy is expected to be 78 years, and currently he is 42 years old. At 6% APR, what would be his monthly premium if Randy wants his beneficiary to get $500K?