Midterm report

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1 Instructions

- Click on invitation link for `mid` at kjst.jp/ma17q2hw
- Clone your assignment repository and make a working branch (eg. `solution` branch);
- Solve the problems in Section 2;
- Write the solutions in `solution.Rmd`;
- Commit `solution.pdf` and all files necessary to create the pdf; and
- Open a Pull Request by the deadline.

Updates and/or hints may be announced on Slack. Watch the channel for the class.

2 Problems

Write your solutions in `solution.Rmd`.

2.1 Solow Model

Consider the text-book Solow model. Suppose that the economy is in its steady state. What happens in response to the following changes of parameter?

- Decrease in saving rate s
- Increase in population growth rate n
- Decrease in technical growth rate g

2.2 MRW: text-book Solow model

Conduct the two regression analyses discussed in the slides for Day 5:

- non-restricted, bivariate OLS
- restricted, simple OLS

Use PWT v9.0 dataset restricted to the subset containing the countries the populations of which in 1960 are more than 1 million,

Report on what you observe.

2.3 MRW: augmented Solow model

Conduct the regression analysis discussed in the slides for Day 6:

- trivariate OLS using Equation (12)

Use PWT v9.0 dataset restricted to the subset chosen above. I suggest the average of `hc` over 2010-2014 as a proxy for h^* but you can try other options.

Report on what you observe.