Final Exam Study Guide

ECON 380
UNC Chapel Hill

Stuff to know for the final exam:

Part I - Labor Force Accounting, Unemployment, Labor Supply & Demand

1. See exam 1 and related study guide

Part II

Competitive Markets - Human Capital and Development

1. See exam 2 and related study guide

Part III

Inequality - Discrimination

1. See exam 3 and related study guide

Part IV

Labor Mobility

1. Migration decision: How individual decides whether or not to migrate. Figuring out whether or not they should given home and away wages, migration costs, and discount rate

2. What are "push" factors? "Pull" factors? How do they affect the decision to migrate

3. How do changes in C affect the migration decision

4. Gist of Angelucci (2015) and HW 7, question 3

5. How families decide to migrate. How to solve for this AND show it on graph we drew in class (where we had ΔPV^H on the x-axis and ΔPV^W on y-axis)

6. What is a tied-stayer? Tied-mover? How to determine this from the graph we drew in class

7. Know the gist of Tunali (2000), especially in regards to how returns to migrants vary and why (HW 8, question 3).

Assimilation

1. Why might the wages of natives and foreign workers be different?

2. What factors affect the (potential) initial earnings deficiency of migrants and the steepness of their age-earnings profile?

3. What is the issue with using cross-sectional studies to estimate immigrant earnings assimilation?

4. How to determine if estimate of economic assimilation is biased up or down. Also know why they would be biased in either direction

5. HW 8, question 1

Self-Selection

1. Implications of Roy Model in terms of the direction of immigrant self-selection if (i) the rate of return to skills is greater in the host country and (ii) the rate of return to skills is greater in the home country

2. Know the graphs for each of the two cases above

3. What is the effect of (i) a change home country "base level" earnings and (ii) a change in host country "base level" earnings in regards to (a) the direction of self-selection and (b) the magnitude of migration

4. What is the effect of a change in migration costs (assuming they are constant across the skills distribution) in regards to (i) the direction of self-selection and (ii) the magnitude of migration

5. What will change the direction of self-selection? How would this be reflected on a graph?

Immigration Benefits

1. Short-run graph in the case of perfect substitutes

2. How to calculate native worker and native firm surplus before and after immigration

3. How to calculate immigration surplus