

EC 390 Problem Set 01

Instructions: Answers must be submitted online through the designated Canvas assignment in a **PDF file**. Any other file type is not allowed. This Problem Set is due on **January 15 at 01:59pm**. Please write as legible and clearly as possible. You will not be given full credit if your answers cannot be easily understood.

Questions

1. What does it mean if someone is living in *absolute poverty*? What is the World Bank's definition of absolute poverty? Does it make sense to define poverty in terms of income? Why or why not? (No more than 1 or 2 paragraphs)
2. [5 points] The **Purchasing Power Parity (PPP)** is defined to be:
3.
 - A. option 01
 - B. option 02
 - C. option 03
 - D. option 04