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1. For spending, young workers will have more confidence than old workers if the job is unskilled. Old workers have less strength than younger workers, so they are likely to have lower productivity and may be dismissed. So younger workers have more confidence and tend to spend more than old workers.

For saving, old workers have a longer working age and have earn more income than young workers. So they will have more money than young workers and they will save more.

For borrowing, young workers need more money to do investment and for living, but old workers may have earned enough money to do those things. So young workers are likely to borrow more than old workers.

1. On one side, developing country should encourage foreign tourism.

First, if the developing encourage the foreign tourism, more people will come to the country which the export of services increase, so the aggregate demand of the country will increase and will cause economic growth.

Second, if the government encourage the foreign tourism, the firms of tourism will need a higher supply, since more people will come to the country for a trip. So they will employ more labors to increase the output, and the unemployment rate will decrease and people will have a higher income and will have better living standard.

On the other side, developing country should not encourage foreign tourism.

First, if the tourism is encouraged by the government, more people will come to the country and the demand for domestic currency will increase. So the price of domestic currency will increase which means the exchange rate increase. So that the price of import decrease and the price of export increase, if the PED is larger than 1, the amount of export will decrease and the amount of import will incsrease, and aggregate demand will move to the left and cause recession.

Second, a developing country is likely to have high population, if the government encourage the foreign tourism and more people travel to the country, there will be too much people in the country and will cause over crowding, so the living standard of people will decrease.