

# midterm

This version: February 26, 2018

**Name:** .....

**Blue Book #:**.....

- Put your name and Blue Book # above. Put the same # on the Blue Book, say last 4 digits of your phone number, etc. Do not put your name on your blue book.
- You have only **2hrs** Answer all questions. Each question has the same weight.
- The exam is open book, open note. However, you may only use your own books and notes. You may not share books, notes, or calculators with other students. Cell phones and other devices are prohibited.
- Be to the point, avoid padding/boilerplate. Do not dump everything that you know and ask me to pick what is relevant.
- Hand in BOTH your test and blue book, in SEPARATE piles.

- 1 Is the world spiky or flat? Give at least two arguments in favor of each of the positions.
- 2 Give at least 2 examples when economic growth does not lead to economic development (except pollution and inequality)
- 3 We can get higher education online these days, so the physical place where you get it does not matter anymore. Why is this statement true or false?
- 4 Was Wall Street resilient to financial crisis of 2008? Why or why not ?
- 5 What do central place theory, labor specialization and urbanization (growth of cities) have in common?
- 6 What agglomeration economies have to do with social capital?
- 7 Labor specialization and urbanization are positively related. True or false? Why?
- 8 What is a key feature of externality? (for economists)
- 9 Comparative advantage cannot be realized if there are trade barriers. True or false? Why?
- 10 Let's say we use economies of scale principle to grow local economy...How would that affect innovation/creativity and resilience?