

Place your name on the back of this sheet of paper and nowhere else. Staple your answers face up on the front of this sheet of paper. Failure to follow these directions will cost you 1 point. Your assignment will be typed, except graphs can be drawn by hand and mathematical equations can be done by hand. Failure to type it will cost you 10 points. If you use double-sided printing or print on the back of scrap paper, I will give you one additional point.

- 1) (15 points) Explain the difference between *stock* and *flow* using your bank account.
- 2) (20 points) What was Malthus' prediction for the population of the world? How did he reach that conclusion? Where did he go wrong in his logic.
- 3) (15 points each) For each of the following results of economic growth, explain how economic growth causes them. Answer each part in a separate paragraph.
  - A) More pollution.
  - B) Breakdown of the family.
  - C) Urbanization
- 4) (20 points) What is meant by *human capital*? Explain two ways of getting it and how that helps an economy to grow.