

Place your name on the back of this sheet of paper and nowhere else. Staple your answers on the front of this sheet of paper. Failure to follow these directions will cost you 10 points. 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) (10 points) Kuznets argued that as a country gets richer, the inequality would rise and then fall. Why did he say that?
- 2) (20 points) Explain the difference between the percentage of people in absolute poverty and the poverty gap. Which do you feel is more important to look at? Explain your logic using a mathematical example comparing two fictitious countries and calculating the two measures. (You can use real countries, but that would be harder to do.)
- 3) (10 points) If you were ruling a developing country, how would you try to get the economic growth to be pro-poor? Explain why your policies would be pro-poor.
- 4) (20 points) Why is the crude birth rate so high in poor countries? Why does the crude birth rate decrease after the crude death rate?
- 5) (15 points) What causes *population momentum*? Why does that mean the population may continue to increase for two generations after replacement birthrates are reached?
- 6) (10 points) Why does faster population growth have a negative impact upon the growth of GDP per capita?
- 7) (15 points) Some people have argued that in some cases, the reason the country cannot develop is that they do not have enough people. Explain that argument. What country do you think this may apply to? Explain your logic.