Econ Exam 2 Cheat Sheet by Valucas14 via cheatography.com/31855/cs/9729/

Cheatography

Scale ial ial ial derivate of $F(K,N)$ $F(K,N)$ -If inputs are 0 MPK= MPK= outputs will be 0 $A\alpha(K/N)^{\Lambda}$ $A(1-\alpha)(K/N)^{\Lambda}$	Basic Cobb-Douglas Production Function			
Scaleialialialialialderivate of F(K,N) $F(K,N)$ -If inputs are 0MPK=outputs will be 0 $A\alpha(K/N)^{\wedge}$ $A(1-$ $\alpha-1$ $\alpha)(K/N)^{\wedge}\alpha$ -The production function is 	Key Properties	Product	Product	
outputs will be 0 $A\alpha(K/N)^{\wedge}$ $A(1-\alpha)^{(1-\alpha)}$ α -1 $\alpha)(K/N)^{\wedge}\alpha$ -The production $\alpha(Y/K) >$ $(1-\alpha)(Y/K)$ function is 0 > 0increaseing in eachof the inputs $(1-\alpha)(Y/K)$		ial derivate of	derivate of	
function is 0 > 0 increaseing in each of the inputs	•	Aα(K/N)^		
-The production .	function is increaseing in each	. ,	(1-α)(Y/K) > 0	
function exhibits diminishing returns	function exhibits			

-Rapid retirement decreases the firms overall knowledge, decreasing productivity. -Productivity peaks at age 50

Neg Impact of Aging LAbor Force

Growth Rate of GDP			
Y= (Y/N) * N			
then take logs			
lnY = ln[Y/N] + lnN			
Differentiate for time			
$Y \circ / Y = (Y \circ / N) / (Y / N) + N \circ / N$			
Growth rate of GDP equals the labor productivity and the grov stock	0		
Solow Growth Model Basics	i		
Aggregate Production Function	Y=AKαN1-α		
Per Worker Production Function	y= Ak ^α		
Capital Stock Accumulation	K°= I-δK		
Capital Per Worker Accumulation	$k^{\circ} = sf(k) - (n+\delta)k$		
Steady-State Equilibrium	$k^{\circ}=0 \rightarrow sf(k)=$ $(n+\delta)k$		

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