

**PRELIMINARY EXAMINATION FOR THE Ph.D. DEGREE**

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**Answer one question from each section**

**SECTION I**

1. The recent empirical literature has used two methods, often called “growth accounting” and “development accounting” to inquire into determinants of different growth rates and different income per capita across countries. Having in mind Young (1995) as an example of growth accounting and Hall and Jones (1999) as an example of development accounting describe the procedures, what we learn from each and what are their limits.
2. Analyze the role of population growth on productivity growth comparing three categories of models: the neoclassical model, models of endogenous growth based on capital (physical and human) externalities and models based on technological innovation. Discuss which empirical evidence on population growth and productivity growth is in favor of each of those.
3. Organize from all the classes you have taken what are the 4-5 most important and interesting facts about growth and development across countries in the world over the last century. Then use the frame of the theoretical models studied and discuss how much progress we made in explaining and accounting for them. What are the biggest successes of growth theory in explaining the facts? What are the puzzles still standing?
4. In spite of its simplicity and gross simplifications the Solow model, augmented to include human capital, is still a very powerful and used tool to understand and test facts about economic growth and development. Explain why you believe it is so. Make specific references to key empirical articles that use some important implications of the Solow model and refer to some key features of the model also in relation to the more elegant optimizing neoclassical model and to some of the endogenous growth models.

**SECTION II**

5. What implications does the theory of the second best have for the conduct of economic policy? How are the findings of several multi-country studies on the economic effects of industrial policies (as measured by the effective rate of protection) relevant to the assessment of the applicability of the theory of the second best?

6. Discuss how geography, culture, and institutions affect the economic growth of a country. Be sure to include in your discussion, the conclusions by David Landes that the key variable is culture, and by Dani Rodrik that "institutions trump every other variable".
7. Some China scholars have identified "lessons from China" that ought to have guided the transition strategies implemented in Poland and Russia. Evaluate these "lessons from China" e.g. dual-track pricing is the mechanism that allowed China to escape the transformational recession.
8. Economic management in the 1980s was advised to focus on "getting prices right", the slogan in the 1990s was "getting institutions right." Explain the basis of the broader approach to economic development, especially the importance of this broader approach to increasing the rate of technical innovation. How does the Washington Consensus fit into this analysis?

### **SECTION III**

9. What is the Great Divergence? What are its main quantitative features? Discuss some of the main controversies surround the Great Divergence: When did it begin? Where did it begin? Why did it happen? Has it been exacerbated by globalization?
10. The rapid development of N.W. European port cities after 1500 could support the argument that trade causes growth or that institutions cause growth, or some mix of the two. Explain. Draw on the Acemoglu/Johnson/Robinson "Rise of Europe" paper.
11. Did protectionism slow growth in the 19<sup>th</sup> century? In the late 20<sup>th</sup> century? Why might the answer have changed?
12. Capital does not flow very plentifully to poor countries today. Does this reflect (a) the poor countries' low productivity? (b) their distortions? (c) their weak institutions (country risk)? (d) other forces? Discuss. Contrast with conditions in the 1870–1914 era.