AGENDA Thurs 2/4

- QOD #11: Simple Calculations
- AP Exam Registration!!!
- Review HW (CH 25 Q# 9-10)
- Economic Growth Paradigms
- Comparative Advantage
- HW: Read pp 535-543 Q #7,8,9
QOD #11: Simple Calculations

1. What annual growth rate is needed for a country to double its output in 7 years? In 35 years? In 70 years? In 140 years?

2. The per-unit cost of an item is its average total cost (= total cost / quantity). Suppose that a new cell phone application costs $100,000 to develop and only $.50 per unit to deliver to each cell phone customer. What will be the per-unit cost of the application if it sells 100 units? 1000 units? 1 million units?
1. The growth rate necessary for a country to double its output in 7 years is 10 percent (= 70 / 10). To double its output in 35 years is 2 percent (= 70 / 2). To double its output in 70 years is 1 percent (= 70 / 1). To double its output in 140 years is 0.5 percent (= 70 / 0.5).

2. The per-unit cost of 100 units is $1000.50 (= [$100,000 + {$0.50 x 100}] / 100). The per-unit cost of 1000 units is $100.50 (= [$100,000 + {$0.50 x 1000}] / 1000). The per-unit cost of 1 million units is $0.60 (= [$100,000 + {$0.50 x 1,000,000}] / 1,000,000).
Economic Growth Paradigm

- In your teaching team, discuss the two perspectives presented by Gordon and Brynjolfsson regarding the causes of and future growth potential in the world today.
- Review commentary from the videos, research other related sources on the topic and develop a collaborative economic theory related to economic growth.
  - Include 8 additional sources and a minimum of 4 supporting strands of evidence and 2 country examples demonstrating your theory’s claim.
Economic Growth

- Is economic growth desirable and sustainable?
- **Macroeconomist Robert Gordon - The Death of Innovation**
- The antigrowth view
  - Environmental and resource issues
  - Growth doesn’t solve issues such as poverty, income inequality
  - Productivity but wage don’t keep up.
- In defense of economic growth
  - Higher standard of living
  - Growth can improve infrastructure, increase household incomes
  - Human imagination can solve environmental and resource issues
Economic Growth

- Growth is the path to greater material abundance
- Results in higher standards of living
- Increases leisure time
- Allows for the expansion and application of human knowledge
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<thead>
<tr>
<th>Country</th>
<th>Global Competitiveness Ranking, 2009–2010</th>
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<tr>
<td>Switzerland</td>
<td>1</td>
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<td>United States</td>
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