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4. a.

1991 -0.00169

1992 0.033235

1993 0.026714

1994 0.040223

b. 2.44%

5. 33.4 years

7. {scale of farms, cheap labor and comparative expensive capital} determine technology level

11. a.  $Y - T - C + TR = Y - T - C + (T - S_{pub} - G) = Y - C - S_{pub} - G = 2.5$

b.  $I = S = S_{pub} + S_{priv} = (-0.5) + 2.5 = 2$

c.  $TR = T - S_{pub} - G = 2 - (-0.5) - 2 = 0.5$

d. deficit =  $-S_{pub} = 0.5$

13. a. decreases.

b. decreases.

c. both decrease.

17. supply of loanable fund increases due to the federal budget surplus.

