**DISCUSSION ASSIGNMENT #1”**

Differences in economic performance of nations, often described as economic growth, are often captured by the growth of GDP per capita. Algebraically,

Let **π**  stand for the growth of GDP per capita, **β** stand for growth in real GDP, and **µ** stand for growth in population of a typical nation. We learned in our last class meeting that the growth performance of a nation can be expressed as:

 π= β - µ…………………………………………………..(1)

1. Using this equation, and the following list of countries and their respective growth in the three variables defined above, calculate the growth rate (of GDP per capita) for each country and explain if the growth rate has something to do with the life expectancy in each country. [25 pts.]

 Life expectancy

 **β µ π Male Female**

 Belgium 1.9 0.3 \_\_\_\_ 75 81

 Ghana 4.8 2.7 \_\_\_\_ 58 62

 Sweden 3.9 0.4 \_\_\_\_ 77 82

 United Kingdom 1.7 0.3 \_\_\_\_ 75 80 India 1.9 1.8 \_\_\_\_ 62 64

1. Look for the real GDP of these countries for any year of your choice, from familiar economic data sources like the UNDP’s Human Development Report, the World Bank’s World Development Report or the International Monetary Fund’s Finance & Development. Rank these countries according to the size of their respective real GDPs.

According to the growth rates of GDP/capita (**π**) that you calculated in the table above, use the Rule of 72 to calculate how many years it will take each country’s real GDP to double.