

## **Growth and Development Economics**

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Homework 1, due 9.00am Fri Jan 27

### **Question 1. Tracking Lifecycle Behavior.**

1. Use LSMS data for a poor country (or a set of them) to document the lifecycle behavior of consumption and income over the lifecycle (plot them in the same graph). If you want to use anyother data (check with me first).
2. Redo for rural and urban areas separately.
3. Redo for food and nonfood consumption separately.
4. Redo for different sources of income.

Discuss all your results.

### **Question 2. Partial Insurance: First Evidence**

1. Use your data to compute the lifecycle profile of the variance (in logs) of consumption and income. Redo for rural and urban areas separately.
2. Also, use your data to compute the lifecycle profile of the covariance (in logs) of consumption and income. Redo for rural and urban areas separately.

Discuss all your results.