Daily Problem \#7
The diagram below represents the phase plane of an economy that follows the Ramsey growth model:


The equations of motion for $c$ and $k$ are:

$$
\begin{aligned}
& \dot{\dot{c}}=\frac{f^{\prime}(k(t))-\rho-\theta g}{\theta}, \\
& \dot{k}(t)=f(k(t))-c(t)-(n+g) k(t) .
\end{aligned}
$$

1. We can consider this diagram to consist of four "quadrants," divided by the black $\dot{c}=0$ line and the black $\dot{k}=0$ curve. Put appropriate horizontal and vertical arrows in each quadrant to show the directions that $c$ and $k$ will move in each quadrant.
2. Trace the dynamics of the economy's path starting at each of the points $\boldsymbol{a}$ through $\boldsymbol{g}$.
