1. Define all of the variables, constants, and functions in it, then explain the logic of the equation $\Delta k = sf(k) - (\delta + n)k$.

2. What do we mean by a "steady-state" in the Solow model of Chapter 8?

3. What effects will an increase in the saving rate have on the long-run level of per-capita income in an economy in the Solow model? What effects will it have on the economy's steady-state growth rate? Explain.

4. Is an increase in the saving rate always desirable for a macroeconomy? Explain.