

Economics 314
Daily Question #3

Spring 2014
January 31

In the Solow model, what exactly is k , both in mathematical terms and intuitively? What do we mean by $\dot{k} = 0$? Show that $\dot{k} = 0$ if and only if $\frac{\dot{K}}{K} = \frac{\dot{L}}{L} + \frac{\dot{A}}{A}$.