

1. Draw the following production function below

i. $y = A \cdot k^\alpha$

ii. $y = \lambda^{1-\alpha} k$



Figure 1: Production Functions

2. Draw the saving line and trace the path of the economy if it starts from capital stock k_0 .

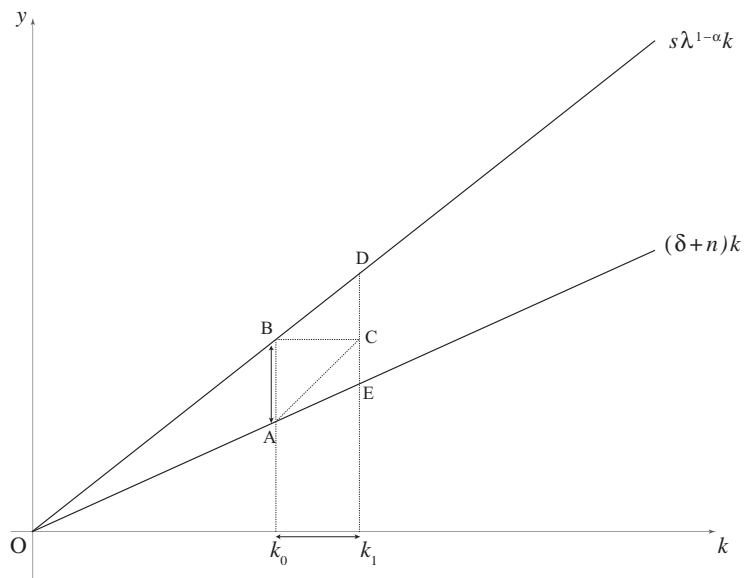


Figure 2: Endogenous growth with linear production function