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14.06 Problem Set 2 2004 - Ramsey Model
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Question 1: Romer 2.2. Also, how does C_1 vary with a change in P_2 ? (You should think about income and substitution effects and relate the strength of these to θ).

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Question 2: Romer 2.5.

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Question 3: Romer 2.6.

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Question 4: Romer 2.7.