Dynamic Model Problems (Page 1 of 2)

1. Suppose global supply-chain processes are disrupted, which negatively affects productivity in the current period, but is expected to resolve in the future.
2. Suppose businesses expect new technology will improve productivity in the future.
3. Suppose a natural disaster leads to a significant destruction of capital stock.

Dynamic Model Problems (Page 2 of 2)

4. Apple introduces a new product called the iPeed, available for sale immediately. The iPeed will revolutionize how people work and communicate, making it easier and more effective to work on the go and communicate with your coworkers.
5. The government passes a bill to cut taxes today and likely finance it with increases to taxes in the future.
6. The government passes a bill to cut taxes today and finance it with cuts to government expenditures in the future. How does your answer compare to the previous question? What explains the difference?