

- 1 Suppose during a global pandemic, businesses and production facilities alter their methods of production in order improve safety, but at the same time these accommodations lead to lower average worker productivity. Describe and illustrate the equilibrium effects in the one-period socially optimal general equilibrium model.
- 2 Suppose improvements in K-12 education in previous decades in a nation on aggregate lead to a more productive workforce. Describe and illustrate the equilibrium effects in the one-period socially optimal general equilibrium model.
- 3 Suppose the government increases its expenditure on public goods.
 - a Describe and illustrate the equilibrium effects in the one-period socially optimal general equilibrium model.
 - b Comment on whether you think this was a good or bad policy. Use the model outcomes or shortcomings of the model to defend your answer.