

Solutions

2.1 Real growth factor= $1.08/1.05=1.02857$, so real growth $\approx 2.86\%$. Per-capita real factor= $(1.08/1.05)/1.02=1.00840$, so growth $\approx .84\%$. An approximation of $8-5-2=1\%$ is rougher. A stimulus can shift AD right, increasing output with spare capacity; near capacity, inflation/import leakage may dominate. Consider financing, distribution and supply bottlenecks. Authored points for identifying relevant evidence, explaining a supported inference and a material limit.

3.1 It is an average output measure, not a distribution or environmental index. Compare income shares, poverty measures and relevant environmental indicators separately. Higher average output may provide resources for improvement but does not establish their use or equal benefit. Authored points for a relevant judgement, reason tied to the case and justified qualification or method. Accept a supported alternative.