Quiz 1

1. Consider an economy where the rich earns 5 times more than the poor:

Calculate the Gini coefficient in this economy?

1. Consider an economy where half of the population earns 1 unit of income and the other half earns unit of income:

If the Gini coefficient is 0.4 in this economy, then what is the value of ?

1. Suppose that Draw the Lorentz curve.