

Question 1: Draw the worse than set of three different SWF and explain (18p)

- monotonically increasing and symmetric
- monotonically increasing and symmetric and satisfies Pigou Dalton
- monotonically increasing and symmetric and satisfies equality neutrality

Question 2: inflation as a tax (24p)

- draw the Lorenz curve of nominal expenditures (income), Concentration curve of inflation (taxes) and concentration curve of real expenditures (income after taxes)
- Say something about regressivity/progressivity
- analyze with the Kakwani and Reynolds Smolensky index (no calculations): what sign will this index have

Question 3: What are the similarities and differences of the Atkinson inequality measures and the Shorrocks theorem of 1983? (20p)

Question 4: Discuss the paper of Kabur et al. about global inequality

- Does their hypothesis confirm the Kuznets hypothesis?
- What class of inequality measures do they use and what is one characteristic of this class that was highly useful in interpreting their results
- Relate this paper to the gic elephant curve of Milanovic

Question 5: multiple choice question about distributions (10p)

- Something about the lognormal not fitting right because of a non symmetric form (wrong)
- Something about the Pareto distribution not fitting right because the threshold was too high (wrong)
- Something about the mode and the mean of the lognormal distribution (right)
- Something about the Kernel estimation being a parametric estimation (wrong)