

1. What are the costs of going to University? Do grants given to student pay all of these costs?
2. Would you expect the internal rate of return to be more, less, or the same as the returns on other investments? What factors might influence your answer?
3. Why would you expect a relationship between an individual's health and education level?
4. Explain why human capital theory predicts that earnings profiles will be concave.
5. What effects would the following have on women's human capital investments: A) the trend toward smaller families, B) reduced discrimination in the workplace?

Questions 6 - 10 are from the article Paul Miller, Charles Mulvey, and Nick Martin, "What do Twins Studies Reveal About the Economic Returns to Education?: A Comparison of Australian and US Findings"

6. Why does the study of twins earnings provide useful information about the returns to education?
7. What is a "fixed effect"? Why are fixed effects important in twins studies?
8. What is the estimated return to education if everyone is treated as a separate individual?
9. What is the estimate return to education if twins are paired together?
10. What do your answers to questions 11 and 12 imply for the importance of genetics and family environment?

Questions 11- 13 are from the article Mark Rosenzweig, "Why are there returns to Schooling?"

11. Explain why there might be a positive and causal relationship between schooling and productivity.
12. Does schooling increase the wages of agricultural workers in the Philippines? What is the intuition for why it does or does not?
13. What is the relationship between the level of technology and the returns to schooling?