A. As You Read

As you read Section 3, fill in supporting facts or details under each main idea by answering each question.

Main Idea: Capital deepening is an important source of growth in modern economies.
1. How does capital deepening increase output per worker? ________________

2. How is human capital deepened? ________________

Main Idea: The rate of saving and investment affects the economy.
3. What happens when saving rises? ________________

4. How does increased investment help the economy? ________________

Main Idea: Population, government, and trade all directly affect the economy.
5. What happens when population grows and capital remains constant? ________________

6. How do government taxation for consumption spending and importing goods for short-term consumption affect economic growth? ________________

Main Idea: Technological progress is a key source of economic growth.
7. How do economists measure the impact of technological progress on economic growth? ________________

8. How does the government aid technological innovation? ________________

B. Reviewing Key Terms

Complete each sentence by writing the correct term in the blank.
9. ________________ is the proportion of disposable income spent to income saved.

10. The real GDP divided by the total population is called ________________.

11. Increasing the amount of capital per worker is ________________.

12. Income not used for consumption is considered ________________.

13. An increase in efficiency gained by producing more output without using more inputs is called ________________.