

Quiz 6 (answers)
ECNS 316 (Spring 2021)

_____ Name

1.) (5 points) Recall the neighborhood crime model we discussed during our last lecture. Suppose $w^* < \pi_i - p_{ci}S$. What outcome do you expect over time?

Offenders will enter area i up to the point where $h = w^*$ at the stable equilibrium n^{**} .

2.) (5 points) Suppose $w^* > \pi_i - p_{ci}S$. What outcome do you expect over time?

If we are on the graph to the left of n^* , then offenders will leave the area until none are left.

If we start on the graph to the right of n^{**} , then offenders will leave the area until we reach n^{**} , the stable equilibrium.