

## ECON 321, Assignment 13: M, Chapter 14: Innovation

1. Read Section 14.1 and 14.2.
2. Read Section 14.3.1. As you do, draw nicer versions of the graphs in Figure 14.1 and 14.2 labeling the numerical amounts discussed in the text instead of just generic  $c_1$ ,  $q_2$ , etc.
3. Read Sections 14.3.2 and 14.3.3. Write down one sentence definitions of these terms: demand-pull, technology-push, appropriability, and absorptive capacity.