

Reck-nition

Producty increase simultaneous

dept I and II

What variables come from
one sided increase?

I alone: capital required falls
II alone: " increases

2. Price fall + wages rise

Take care of periodical data!
What is surplus in one period
will become constant when surplus
capital (near wage constant)
in the next period!

3. Using the departmental scheme for
net investment

is it rational? (Capital is not used)

discrete, not dynamic ?

the ^{not} investment is not

determined in the departmental scheme!

You can expand or contract
the two departments!