1. Read the introduction.

2. Skim Section II, except note the first sentence at the top of pg. 739 is the crucial question.

3. Read Section III, paying particular attention to how they measured appropriability.

4. Read Section IV. Focus in particular on Table II, Column 3. These are the effects of public support and public support interacted with other firm characteristics on private R&D. Because this is a log-log regression, these estimates are in elasticity form.

   What are the mean levels of appropriability and financial constraints for both supported and unsupported firms? (You'll have to look back at the descriptive statistics.)

   Using the column 3 measures, what is the elasticity

   \[
   \frac{\% \Delta \text{ private R&D}}{\% \Delta \text{ public support}}
   \]

   evaluated for both the supported and unsupported firms?

5. Skim the rest of the paper.