1. Read the introduction up to the beginning of 1.2.

2. Read Section 2 carefully. Section 2.1 and 2.2 contain the background material for the next couple classes. Section 2.3 contains a simple model for thinking about why there is dispersion of productivity within industries. (Recall you were told that this would not happen in perfect competition back when you took ECON 110.)

3. That’s it, nothing to turn in this time. Enjoy the spring weather, but do come to class!