ECON 318, Class 2: Nakamura: Invisible Hand/Creative Destruction

1. Read the whole paper.

2. Focus especially on the sections “Following Existing Recipes” and “Creating New Recipes.”

3. Give an example of a current company/product where creative destruction is important. Are there monopoly profits? Is there a quality ladder? No fair using Apple, Google, Facebook, or Twitter. If you need some ideas, check arstechnica.com or www.businessweek.com/technology/ or your other favorite news websites. One paragraph is enough.