

Optimal Paths of Capital Accumulation Under the Minimum Time Objective | Institute for Mathematical Studies in the Social Sciences, Applied Mathematics and Statistics Laboratories, Stanford University, 1963 | Mordecai Kurz | 1963

capital accumulation is a declining profile of investment time v over the life cycle. Therefore, it should be interesting to investigate the conditions under which such a pattern is indeed optimal. Additionally, with $K=0$, three periods represent the minimum life cycle needed to compare two unconstrained periods. In principle the analysis could be extended to any number of discrete periods. However, we shall see that equations (5) and (6) by themselves are sufficient to obtain a sense of the lifetime profile of investment as long as we assume that the future time path of leisure is always being chosen optimally (and denoted J^* and \hat{L}). The major result of this section is that Theorem One which guaranteed a declining life cycle of investment time will no longer hold unconditionally. Optimal Paths of Capital Accumulation Under the Minimum Time Objective. Article. Jan 1965. *ECONOMETRICA*. Mordecai Kurz. The properties of the optimal growth path are investigated in a two-sector economy model. In an endogenous growth model with human capital accumulation, we discuss the possibility of welfare improving changes on the fiscal policy stance in some actual economies. First, we characterize the extent to which the initial fall in revenues produced by a permanent tax cut can be compensated by an increase in the tax base, due to a dynamic Laffer curve effect, showing that there is, in fact, a [Show full abstract] non-trivial margin for substituting debt for taxes on labor and capital income. *Econometrica*: Jan 1965, Volume 33, Issue 1. Optimal Paths of Capital Accumulation Under the Minimum Time Objective. [https://doi.org/10.1214-9682\(196501\)33:1<42:OPOCAU>2.0.CO;2-R](https://doi.org/10.1214-9682(196501)33:1<42:OPOCAU>2.0.CO;2-R) p. 42-66. Mordecai Kurz. The properties of the optimal growth path are investigated in a two-sector economy model. The objective is the attainment of the von Neumann path in minimum time, and the optimal strategy is given. In order to characterize and establish the optimality of the path, an extensive use is made of Pontryagin's Maximum Principle. Institutional Access. Log In To View Full Content.