

### Question 1

Draw a graph showing a short-run average variable cost curve, a short-run average total cost curve, and a short-run marginal cost curve. Briefly explain the shape of each curve and how they relate to each other.

Answer: <https://biology-forums.com/index.php?topic=1930541>

### Question 2

What is consumer surplus and how is it calculated?

Answer: <https://biology-forums.com/index.php?topic=1930358>

### Question 3

The text lists 4 types of puzzling consumer behavior which have been identified by economists and psychologists. What are these 4 types of consumer behavior?

Answer: <https://biology-forums.com/index.php?topic=1930516>

### Question 4

What is the current WTO policy regarding environmental standards and trade?

Answer: <https://biology-forums.com/index.php?topic=1930769>

### Question 5

Explain why a consumer may be willing to drive 20 miles to save 10% on a \$3 gallon of milk, but is not willing to drive the same 20 miles to save 3% on a \$500 refrigerator.

Answer: <https://biology-forums.com/index.php?topic=1930517>

### Question 6

What is dumping and why would firms engage in it?

Answer: <https://biology-forums.com/index.php?topic=1930768>

### Question 7

Will a price ceiling always result in a reduction in efficiency?

Answer: <https://biology-forums.com/index.php?topic=1930390>

### Question 8

With respect to consumer choice, explain what the following regions of the brain are responsible for:

1. Nucleus Accumbens
2. Insular cortex
3. Amygdala
4. Prefrontal cortex

Answer: <https://biology-forums.com/index.php?topic=1930486>

### Question 9

As a result of advances in technology, cellular telephones have become cheaper to produce. Illustrate the effect of this change on the market for cellular telephones.

Answer: <https://biology-forums.com/index.php?topic=1930312>

### Question 10

Draw a picture to illustrate why total surplus is highest at the competitive equilibrium price and not at a price below equilibrium. Explain your diagram.

Answer: <https://biology-forums.com/index.php?topic=1930370>

### Question 11

What is a price ceiling and why must it be below the equilibrium price to be effective?

Answer: <https://biology-forums.com/index.php?topic=1930369>

### Question 12

When do consumers bear the larger share of a tax?

Answer: <https://biology-forums.com/index.php?topic=1930415>

### Question 13

What is the difference between a production possibilities curve and a consumption possibilities curve?

Answer: <https://biology-forums.com/index.php?topic=1930728>

### Question 14

Explain the two ways that are relevant to consumer decisions in which people differ.

Answer: <https://biology-forums.com/index.php?topic=1930487>

### Question 15

Would consumers benefit more from a tariff or a quota on imports?

Answer: <https://biology-forums.com/index.php?topic=1930743>

### Question 16

What is a deadweight loss or tax burden associated with a tax?

Answer: <https://biology-forums.com/index.php?topic=1930416>

### Question 17

Explain how accounting rules have been beneficial for markets.

Answer: <https://biology-forums.com/index.php?topic=1930295>

### Question 18

Firms in the long run do not experience diminishing marginal returns. Then why do some industries have upward-sloping long-run supply curves?

Answer: <https://biology-forums.com/index.php?topic=1930552>

### Question 19

What is a price floor and why must it be above the equilibrium price to be effective?

Answer: <https://biology-forums.com/index.php?topic=1930371>

### Question 20

Baseballs cost \$5 each and baseball gloves cost \$20. Assume you have \$100 to spend on these items. Putting baseballs on the vertical axis, draw the budget line representing this situation. What is the slope of the budget line?

Answer: <https://biology-forums.com/index.php?topic=1930447>

### Question 21

Suppose that televisions are produced both domestically and abroad. What would a ban on imported televisions do to the price of televisions, the quantity of televisions, and the output of the domestic television industry?

Answer: <https://biology-forums.com/index.php?topic=1930406>

### Question 22

It is common in most towns that major department stores are locating next to each other. Provide an intuitive explanation of this common finding.

Answer: <https://biology-forums.com/index.php?topic=1930667>

### Question 23

What are the sources of external costs from automobiles?

Answer: <https://biology-forums.com/index.php?topic=1930698>

### Question 24

If the consumer gets 90 utils from consuming four movies, 120 utils from consuming five movies and 140 utils from consuming six movies, calculate the consumer's marginal utility from the fifth and sixth movies.

Answer: <https://biology-forums.com/index.php?topic=1930448>

### Question 25

Using a graph, illustrate the effect that an increase in production costs will have on the equilibrium price and quantity of a good.

Answer: <https://biology-forums.com/index.php?topic=1930313>

### Question 26

How does a vehicle mileage traveled tax reduce the externalities caused by automobiles?

Answer: <https://biology-forums.com/index.php?topic=1930700>

### Question 27

Draw the demand curve for a good whose price elasticity of demand is equal to zero. Be sure to label both axes. Explain what the graph represents.

Answer: <https://biology-forums.com/index.php?topic=1930322>

### Question 28

Andrew is willing to pay \$50,000 for a college education, yet the tuition cost at the college to which he was accepted is \$75,000. Under what condition would it be efficient for the government to pay for the last \$25,000 of Andrew's education?

Answer: <https://biology-forums.com/index.php?topic=1930644>

### Question 29

Hotdogs are very cheap at the grocery store—about \$2 for a package of 8, or 25 cents each. At a baseball game they cost \$3 each. Use the concept of price elasticity of demand to explain why.

Answer: <https://biology-forums.com/index.php?topic=1930323>

### Question 30

How does the introduction of cognition into a consumer's choice between healthy and unhealthy food affect marginal utility per dollar and the quantity of healthy and unhealthy food consumed? Assume utility is maximized.

Answer: <https://biology-forums.com/index.php?topic=1930507>

### Question 31

How does a tax credit for hybrid vehicles reduce the externalities associated with automobiles?

Answer: <https://biology-forums.com/index.php?topic=1930699>