Econ 2302 - Principles of Microeconomics - Assignment 2 Answer Section

MULTIPLE CHOICE

1.				1 DIF: Supply and demand	2	REF: TOP:	6-1 Price ceilings
2.	ANS: NAT:	•		1 DIF: Supply and demand	2	REF: TOP:	6-1 Price ceilings
3.		D Analytic Interpretive		1 DIF: Supply and demand	1	REF: TOP:	6-1 Price ceilings
4.			PTS: LOC:	1 DIF: Supply and demand	2	REF: TOP:	6-1 Price floors
5.				1 DIF: Supply and demand	2	REF: TOP:	6-1 Price floors
6.	ANS: NAT:			1 DIF: Supply and demand	2	REF: TOP:	6-1 Prices
7.	ANS: NAT:	C Analytic Interpretive	PTS: LOC:	1 DIF: Supply and demand	2	REF: TOP:	6-2 Taxes Supply
8.	ANS: NAT:	•		1 DIF: Supply and demand	2	REF: TOP:	6-2 Taxes Demand
9.	ANS: NAT:	_		1 DIF: Supply and demand	2	REF: TOP:	6-2 Taxes Demand
10.	ANS: NAT:	D Analytic Interpretive		1 DIF: Supply and demand	2	REF: TOP:	6-2 Taxes Demand
11.		A Analytic Interpretive		1 DIF: Supply and demand	2	REF: TOP:	6-2 Taxes Demand
12.		C Analytic Applicative	PTS: LOC:	1 DIF: Supply and demand	2	REF: TOP:	6-2 Taxes
13.	ANS: NAT:		PTS: LOC:	1 DIF: Supply and demand	3	REF: TOP:	6-2 Taxes
14.	ANS: NAT:	-	PTS: LOC:	1 DIF: Supply and demand	2	REF: TOP:	6-2 Taxes

15.	ANS: C	PTS:		3	REF:	
	NAT: Analytic	LOC:	Supply and demand		TOP:	Price ceilings Price floors Taxes
	MSC: Analytical					
16.	ANS: B	PTS:	1 DIF:	2	REF:	6-2
	NAT: Analytic	LOC:	Supply and demand		TOP:	Tax incidence Elasticity
	MSC: Interpretive					
17.	ANS: B	PTS:	1 DIF:	1	REF:	7-1
	NAT: Analytic	LOC:	Supply and demand		TOP:	Willingness to pay
	MSC: Definitional					
18.	ANS: B	PTS:	1 DIF:	2	REF:	7-1
	NAT: Analytic	LOC:	Supply and demand		TOP:	Consumer surplus
	MSC: Interpretive					•
19.	ANS: A	PTS:	1 DIF:	2	REF:	7-1
	NAT: Analytic	LOC:	Supply and demand			Consumer surplus
	MSC: Applicative		11 7			1
20.	ANS: B	PTS:	1 DIF:	2	REF:	7-1
	NAT: Analytic		Supply and demand	_		Consumer surplus
	MSC: Interpretive		The second second			r
2.1	ANS: B	PTS:	1 DIF:	2.	REF:	7-1
21.	NAT: Analytic		Supply and demand	_		Consumer surplus
	MSC: Applicative	Loc.	Supply and demand		101.	Consumer surprus
22	ANS: B	PTS:	1 DIF:	3	REF:	7-1
22.	NAT: Analytic		Supply and demand	3		Consumer surplus
	MSC: Applicative	Loc.	Supply and demand		101.	Consumer surprus
23	ANS: C	PTS:	1 DIF:	2	REF:	7-2
23.	NAT: Analytic		Supply and demand	_		Producer surplus Supply curve
	MSC: Interpretive	Loc.	Supply and demand		101.	Troducer surprus (Suppry curve
24	ANS: C	PTS:	1 DIF:	2	REF:	7-2
2	NAT: Analytic		Supply and demand	_		Producer surplus
	MSC: Applicative	Loc.	Supply and demand		101.	Troducer surprus
25	ANS: B	PTS:	1 DIF:	2	REF:	7-2
23.	NAT: Analytic		Supply and demand	2		Producer surplus
	MSC: Applicative	Loc.	Supply and demand		101.	Troducer surprus
26	ANS: C	PTS:	1 DIF:	1	REF:	7_3
20.	NAT: Analytic		Supply and demand	1		Producer surplus
	MSC: Definitional	Loc.	Suppry and demand		101.	Troducer surprus
27	ANS: D	PTS:	1 DIF:	2	REF:	7_3
21.	NAT: Analytic		Supply and demand	2		Total surplus
	MSC: Interpretive	LOC.	Supply and demand		101.	Total surplus
28	ANS: D	PTS:	1 DIF:	2	REF:	7.3
20.	NAT: Analytic		Supply and demand	2		Total surplus
	MSC: Interpretive	LOC.	Supply and demand		101.	Total surplus
20	ANS: B	PTS:	1 DIF:	3	REF:	7.3
29.	NAT: Analytic		Supply and demand	3		Producer surplus
	MSC: Applicative	LUC.	Suppry and demaild		TOF.	1 Toducci surpius
20	ANS: D	PTS:	1 DIF:	2	REF:	7.3
30.	NAT: Analytic		Supply and demand	<i>∠</i>		Efficiency
	MSC: Interpretive	LOC.	Suppry and demaild		TOF.	Linelency
	wise. interpretive					

31.	ANS:		PTS:		DIF:	2	REF:			
		Analytic Interpretive	LOC:	Supply and de	emand		TOP:	Efficiency		
32.	ANS:	C	PTS:	1	DIF:	2	REF:	7-3		
	NAT:	Analytic	LOC:	Supply and de	mand		TOP:	Efficiency		
	MSC:	Interpretive								
33.	ANS:	A	PTS:	1	DIF:	2	REF:	7-3		
	NAT:	Analytic	LOC:	Supply and de	mand		TOP:	Consumer surplus		
	MSC:	Applicative								
34.	ANS:	D	PTS:			2	REF:	8-0		
	NAT:	Analytic	LOC:	Supply and de	mand		TOP:	Taxes Economic welfare		
		Interpretive								
35.	ANS:		PTS:		DIF:	2	REF:			
		Analytic	LOC:	Supply and de	emand		TOP:	Taxes		
		Interpretive								
36.	ANS:		PTS:			2	REF:			
		Analytic	LOC:	Supply and de	emand		TOP:	Consumer surplus		
		Analytical				_				
37.	ANS:		PTS:		DIF:	3	REF:			
		Analytic	LOC:	Supply and de	mand		TOP:	Deadweight loss		
20		Analytical	DEG		DIE	2	DEE	0.1		
38.			PTS:		DIF:	2	REF:			
		Analytic	LOC:	Supply and de	emand		TOP:	Total surplus		
20		Applicative	DTC.	1	DIE.	2	DEE.	0.1		
39.	ANS:		PTS:			3	REF:	8-1		
		Analytic	LOC: Supply and demand er surplus Producer surplus Deadweight loss MSC: Applicative							
40	ANS:		PTS:	_	DIF:	-	REF:			
40.		Analytic		Supply and de		3	KLI'.	0-1		
		•		roducer surplus		lweight loss	MSC·	Analytical		
41.	ANS:		PTS:	_	DIF:	~	REF:	· · · · · · · · · · · · · · · · · · ·		
т1.		Analytic		Supply and de		2		Total surplus		
		Applicative	Loc.	Supply and de	1114114		101.	Total Salpius		
42.			PTS:	1	DIF:	2	REF:	8-1		
,		Analytic		Supply and de		_		Total surplus		
		Applicative								
43.	ANS:		PTS:	1	DIF:	2	REF:	8-1		
		Analytic		Supply and de				Taxes		
		Applicative		11.0						
44.	ANS:	В	PTS:	1	DIF:	2	REF:	8-2		
	NAT:	Analytic	LOC:	Elasticity	TOP:	Elasticity Tax	x Dead	dweight loss		
		Interpretive		•		•		-		
45.	ANS:	C	PTS:	1	DIF:	2	REF:	8-2		
	NAT:	Analytic	LOC:	Elasticity	TOP:	Labor	MSC:	Interpretive		
46.	ANS:	В	PTS:	1	DIF:	2	REF:	8-2		
	NAT:	Analytic	LOC:	Elasticity	TOP:	Labor	MSC:	Interpretive		

		_						
47.	ANS:			1	DIF:	3	REF:	
		Analytic	LOC:	Supply and de	mand		TOP:	Tax revenue Deadweight loss
		Analytical						
48.	ANS:		PTS:		DIF:	3	REF:	
		Analytic	LOC:	Supply and de	mand		TOP:	Tax revenue Deadweight loss
		Analytical				_		
49.	ANS:		PTS:		DIF:	2	REF:	
		Analytic	LOC:	Supply and de	mand		TOP:	Tax revenue Deadweight loss
~ 0		Applicative	D					0.0
50.	ANS:			1	DIF:	3	REF:	
		Analytic	LOC:	Supply and de	mana		TOP:	Deadweight loss
<i>5</i> 1		Analytical	DTC.	1	DIE.	2	DEE.	9.2
51.	ANS:		PTS:		DIF:	2	REF:	
		Analytic	LOC:	Supply and de	mana		TOP:	Laffer curve
50		Applicative	DTC	1	DIE	2	DEE	0.1
52.	ANS:		PTS:		DIF:		REF:	9-1
		Analytic Price Compar		Gains from tra lvantage	•	Applicative	trade	
52	ANS:	_		1	DIF:	* *	REF:	0.2
33.		Analytic		Gains from tra				9-2
		Trade Equili		Gains Hom uz		Interpretive	trauc	
54	ANS:	_	PTS:	1	DIF:	-	REF:	9_2
<i>5</i> 7.				Gains from tra				<i>J-2</i>
	TOP:	Imports	MSC:	Applicative	ide, spe	cianzation and	trade	
55.	ANS:	_	PTS:		DIF:	2	REF:	9-2
		Analytic		Gains from tra				-
		Tariffs Gove				Applicative		
56.	ANS:	В	PTS:	1	DIF:		REF:	9-2
	NAT:	Analytic	LOC:	Gains from tra	de, spe	cialization and	trade	
	TOP:	Tariffs Dead	weight	loss	MSC:	Applicative		
57.	ANS:	C	PTS:	1	DIF:	2	REF:	9-2
	NAT:	Analytic	LOC:	Gains from tra	ide, spe	cialization and	trade	
	TOP:	Trade Equili	brium		MSC:	Applicative		
58.	ANS:		PTS:		DIF:		REF:	9-2
				Gains from tra			trade	
		Exports Eco				Applicative		
59.	ANS:		PTS:			2	REF:	9-2
		Analytic		Gains from tra	_			_
				icer surplus To		_		Interpretive
60.	ANS:		PTS:		DIF:		REF:	9-2
		Analytic		Gains from tra	-		trade	
		Tariffs Dead	_			Applicative		0.0
61.	ANS:		PTS:		DIF:		REF:	9-2
		Analytic		Gains from tra	_			A1141
<i>(</i> 2				ırplus Produce	_			Applicative
62.			PTS:		DIF:		REF:	9-2
		Analytic Tariffe Total		Gains from tra	_		trade	
	TOP:	Tariffs Total	surpius	•	MISC:	Applicative		

63.	ANS:	_		1		-	REF:	10-1
	NAT:	Analytic	LOC:	Markets, mark	et failu	ire, and externa	lities	
	TOP:	Negative exter	rnalities	S	MSC:	Analytical		
64.	ANS:	A	PTS:	1	DIF:	2	REF:	10-1
	NAT:	Analytic	LOC:	Markets, mark	et failu	ire, and externa	lities	
	TOP:	Positive extern	nalities		MSC:	Analytical		
65.	ANS:	C	PTS:	1	DIF:	2	REF:	10-2
	NAT:	Analytic	LOC:	Markets, mark	et failu	ire, and externa	lities	
	TOP:	Corrective tax	es		MSC:	Applicative		
66.	ANS:	В	PTS:	1	DIF:	2	REF:	10-2
	NAT:	Analytic	LOC:	Markets, mark	et failu	ire, and externa	lities	
	TOP:	Corrective tax	tes		MSC:	Applicative		
67.	ANS:	D	PTS:	1	DIF:	2	REF:	10-2
	NAT:	Analytic	LOC:	Markets, mark	et failu	ire, and externa	lities	
	TOP:	Public policy	l Negati	ve externalities	S		MSC:	Interpretive
68.	ANS:	В	PTS:	1	DIF:	1	REF:	10-2
	NAT:	Analytic	LOC:	Markets, mark	et failu	ire, and externa	lities	
	TOP:	Public policy	l Comm	and-and-contro	ol polic	ies	MSC:	Interpretive
69.	ANS:	C	PTS:	1	DIF:	2	REF:	10-3
	NAT:	Analytic	LOC:	Markets, mark	et failu	ire, and externa	lities	
	TOP:	Externalities	MSC:	Applicative				
70.				1	DIF:	2	REF:	10-3
	NAT:				et failu	re, and externa	lities	
		Coase theorem				Applicative		
						1 1		