

# Homework (chapter 2)

**Due** Jan 27 at 11:59pm

**Points** 20

**Questions** 20

**Available** until Jan 27 at 11:59pm

**Time Limit** None

**Allowed Attempts** 2

## Instructions

This required homework assignment covers material from chapter 2.

Homework answers may be saved and returned to, as long as it is within the deadline. To do so, remember to save your responses before leaving the Canvas website, and do not click on the “Submit” button (or Canvas will automatically grade your assignment and you will have no way of changing your answers). If you start the quiz before the deadline but do not finish by the deadline, Canvas will submit the homework for you at the deadline.

## Attempt History

	Attempt	Time	Score
KEPT	<a href="#">Attempt 2</a>	3 minutes	20 out of 20
LATEST	<a href="#">Attempt 2</a>	3 minutes	20 out of 20
	<a href="#">Attempt 1</a>	12 minutes	18 out of 20

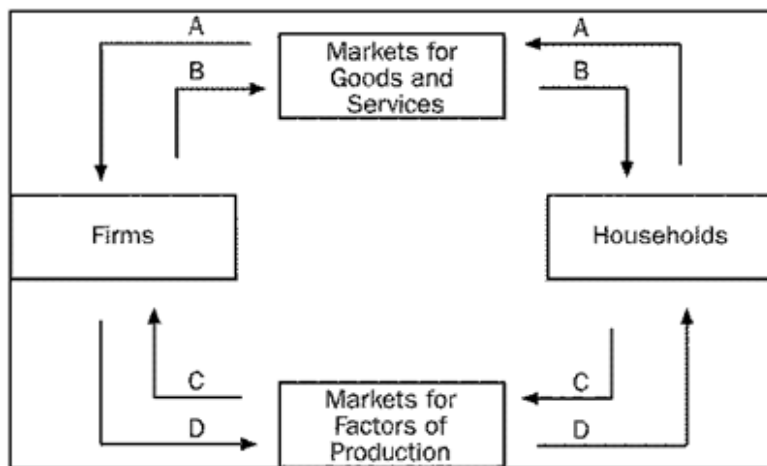
⚠️ Correct answers will be available on Jan 28 at 12am.

Score for this attempt: **20** out of 20  
Submitted Jan 21 at 1:53pm  
This attempt took 3 minutes.

Question 1

1 / 1 pts

*Figure 2-1*



Refer to Figure 2-1. Which arrow represents the flow of goods and services?

☐ A

☒ B

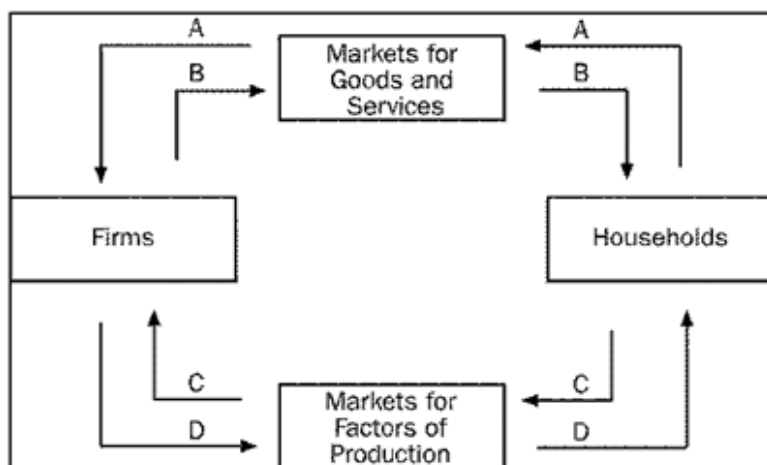
☐ C

☐ D

## Question 2

1 / 1 pts

*Figure 2-1*



Refer to Figure 2-1. Which arrow represents the flow of spending by households?

☒ A

☐ B

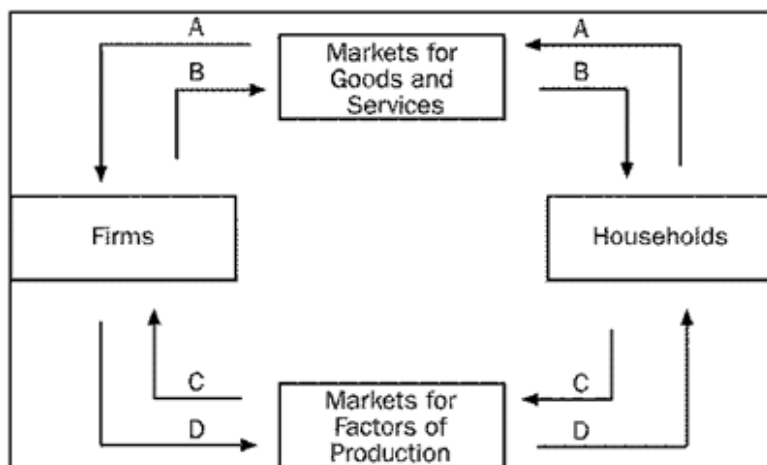
☐ C

☐ D

### Question 3

1 / 1 pts

Figure 2-1



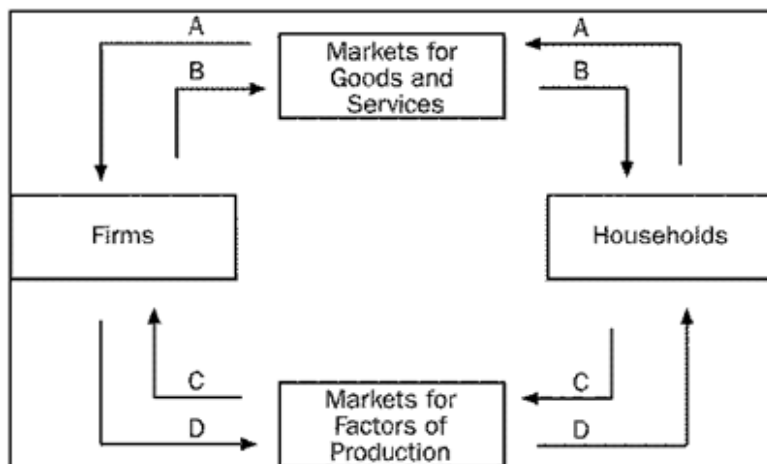
Refer to Figure 2-1. Which arrow represents the flow of land, labor, and capital?

☐ A

☐ B

☒ C

☐ D

**Question 4****1 / 1 pts***Figure 2-1*

Refer to Figure 2-1. Which arrow represents the flow of income payments?

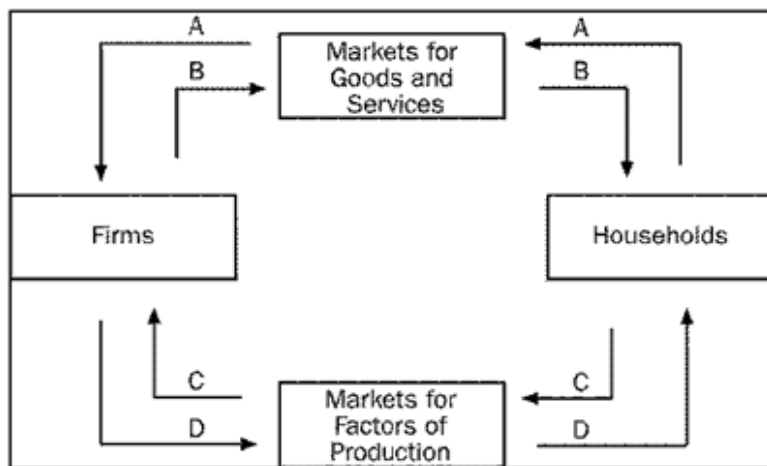
☐ A

☐ B

☐ C

☒ D

**Question 5****1 / 1 pts***Figure 2-1*



**Refer to Figure 2-1.** Raymond buys a refrigerator for his new home. To which of the arrows does this transaction directly contribute?

☐ A only

☒ A and B

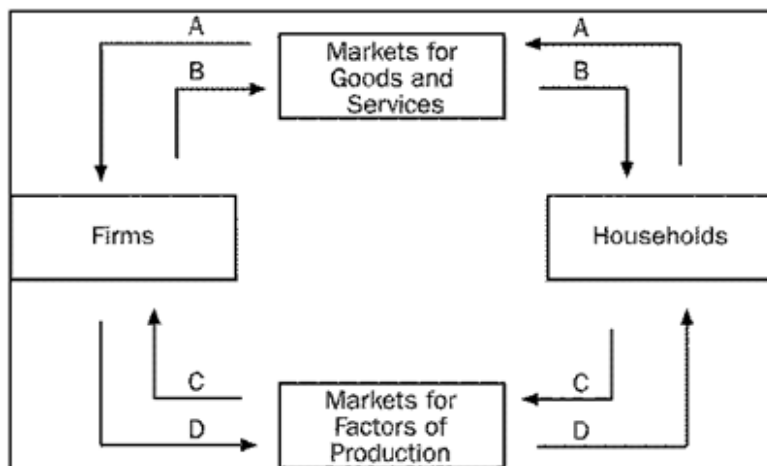
☐ C only

☐ C and D

## Question 6

1 / 1 pts

*Figure 2-1*



**Refer to Figure 2-1.** Harvey receives his first paycheck for working as an ice cream vendor. To which of the arrows does this transaction directly contribute?

- ☐ B only
- ☐ A and B
- ☐ C only
- ☒ C and D

### Question 7

1 / 1 pts

The production possibilities frontier illustrates

- ☐ the trade-off between efficiency and equality.
- ☐ the combination of output that an economy should produce.
- ☐ the combination of output that each member of society should consume.
- ☒ None of the above is correct.

### Question 8

1 / 1 pts

On a bowed production possibilities frontier, as you move down along the curve

- ☐ more of one good must be given up to receive one unit of the other good.
- ☐ the available production technology does not change.
- ☐ the opportunity cost increases.

- ☒ All of the above are correct.

**Question 9****1 / 1 pts****Table 2-2**

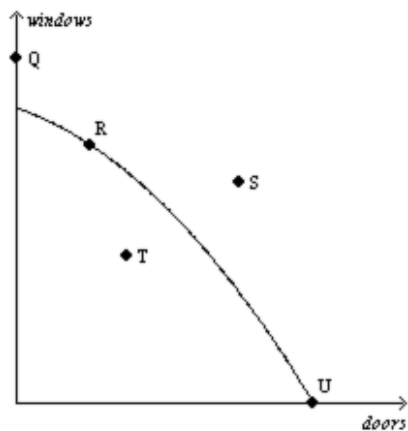
The following table contains some production possibilities for an economy for a given year:

Tennis Rackets	Tennis Balls
100	8000
200	6500
300	?

**Refer to Table 2-2.** If the production possibilities frontier is bowed outward, then "?" could be

- ☐ 6000.
- ☐ 5500.
- ☐ 5000.
- ☒ 4500.

**Question 10****1 / 1 pts****Figure 2-4**



Refer to Figure 2-4. Efficient production is represented by which point(s)?

☐ Q, R, U

☐ R, T, U

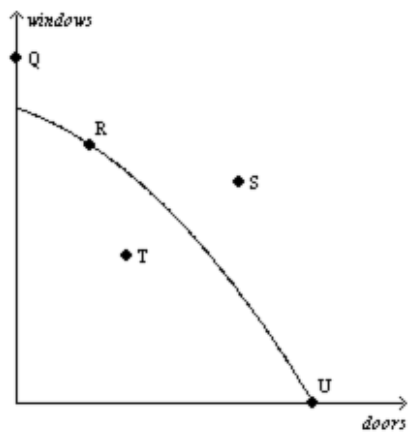
☒ R, U

☐ S, T

### Question 11

1 / 1 pts

*Figure 2-4*





Refer to Figure 2-4. Inefficient production is represented by which point(s)?

☐ Q, S

☐ Q, S, T

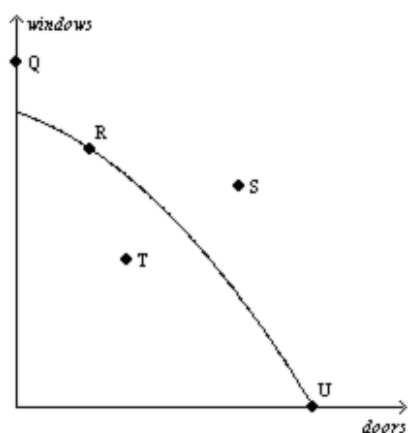
☐ R, U

☒ T

## Question 12

1 / 1 pts

Figure 2-4



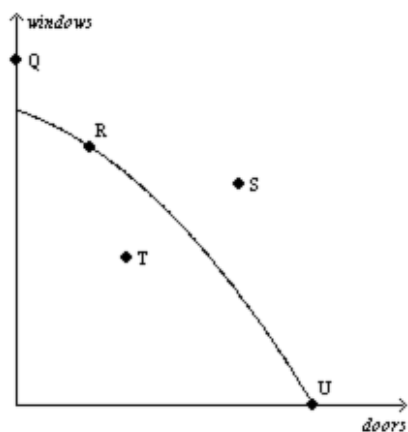
Refer to Figure 2-4. Unemployment could cause this economy to produce at which point(s)?

☐ Q, S

☐ Q, S, T

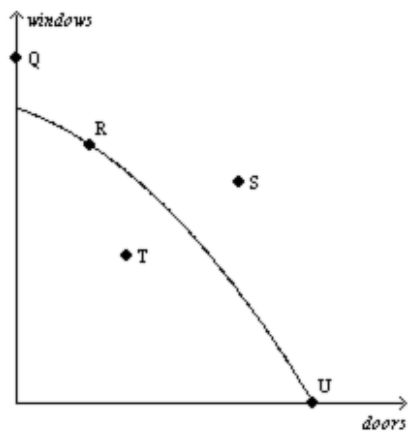
☐ R, U

☒ T

**Question 13****1 / 1 pts****Figure 2-4**

**Refer to Figure 2-4.** At which point is this economy producing its maximum possible quantity of doors?

☐ R☐ S☐ T☒ U**Question 14****1 / 1 pts****Figure 2-4**



Refer to Figure 2-4. This economy has the ability to produce at which point(s)?

☐ Q, R, T, U

☒ R, T, U

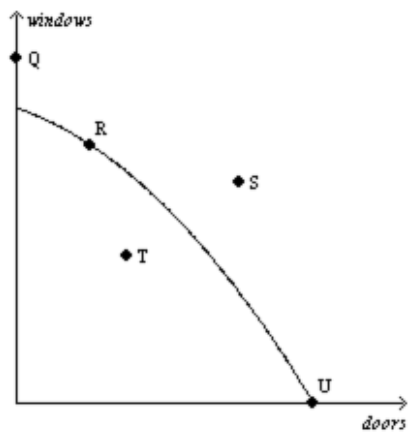
☐ R, U

☐ T

### Question 15

1 / 1 pts

*Figure 2-4*



Refer to Figure 2-4. This economy *cannot* produce at which point(s)?

☐ Q

☒ Q, S

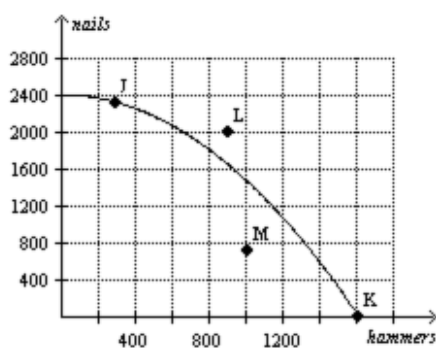
☐ Q, S, T

☐ S

## Question 16

1 / 1 pts

Figure 2-8



Refer to Figure 2-8. To reach point L, the economy would have to

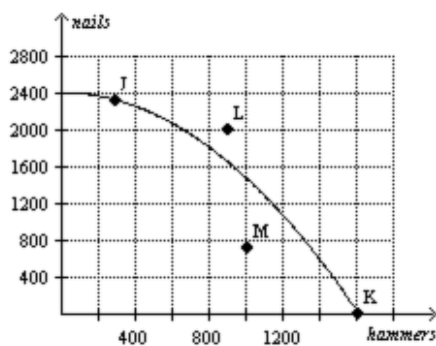
☒ acquire more resources or experience a technological advance.

☐ begin using its available resources more efficiently than it is currently using them.

☐ shift resources away from the production of nails and toward the production of hammers.



None of the above are correct; the economy will never be able to reach point L.

**Question 17****1 / 1 pts****Figure 2-8**

**Refer to Figure 2-8.** For this economy, as more and more hammers are produced, the opportunity cost of an additional hammer produced, in terms of nails,



remains constant.



increases.

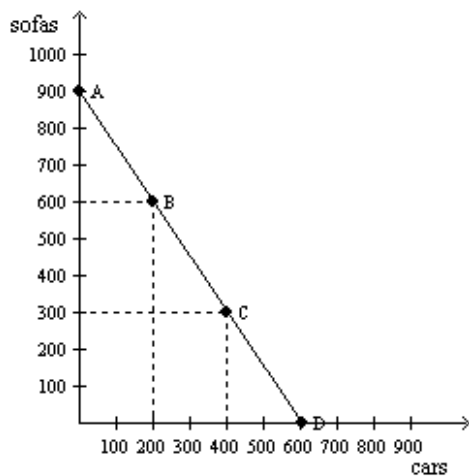


decreases.



This answer cannot be determined from the graph.

**Question 18****1 / 1 pts****Figure 2-15**



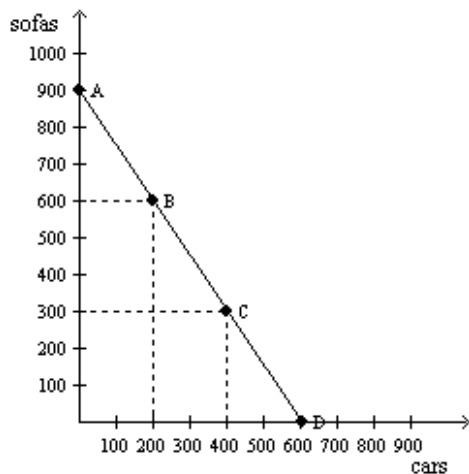
**Refer to Figure 2-15.** Consider the production possibilities frontier for an economy that produces only sofas and cars. The opportunity cost of each car is

- ☐ the slope of the production possibilities frontier.
- ☐ 3/2 sofas.
- ☐ 2/3 of a sofa.
- ☒ Both a and b are correct.

### Question 19

1 / 1 pts

**Figure 2-15**



**Refer to Figure 2-15.** Consider the production possibilities frontier for an economy that produces only sofas and cars. When society moves from point A to point B,

- ☒ the opportunity cost is the same as when society moves from point B to point C.
- ☐ it is giving up cars to get sofas.
- ☐ the opportunity cost is increasing.
- ☐ it moves from an inefficient point to an efficient point.

### Question 20

1 / 1 pts

Which of the following is a positive, as opposed to a normative, statement?

- ☐ The US Department of Justice should allow a merger between AT&T and T-Mobile because it would have little effect on consumers.
- ☐ Antitrust laws should be used to prevent further concentration in the wireless telephone service market.
- ☒ The US Department of Justice sued AT&T to block its merger with T-Mobile.
- ☐ The wireless telephone service market is too highly concentrated.

Quiz Score: **20** out of 20