

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.

This quiz was locked Jan 27 at 11:59pm.

Attempt History

	Attempt	Time	Score
LATEST	Attempt 1	8 minutes	19 out of 20

Score for this attempt: **19** out of 20

Submitted Jan 21 at 3:42pm

This attempt took 8 minutes.

Question 1

1 / 1 pts

An assumption an economist might make while studying international trade is

- ☐ there are only two countries.
- ☐ countries only produce two goods.
- ☐ technology does not change.

Correct!

- ☒ All of the above are possible assumptions.

Question 2**1 / 1 pts**

In the circular-flow diagram, firms produce

- ☐ goods and services using factors of production.
- ☐ output using inputs.
- ☐ factors of production using goods and services.

Correct!

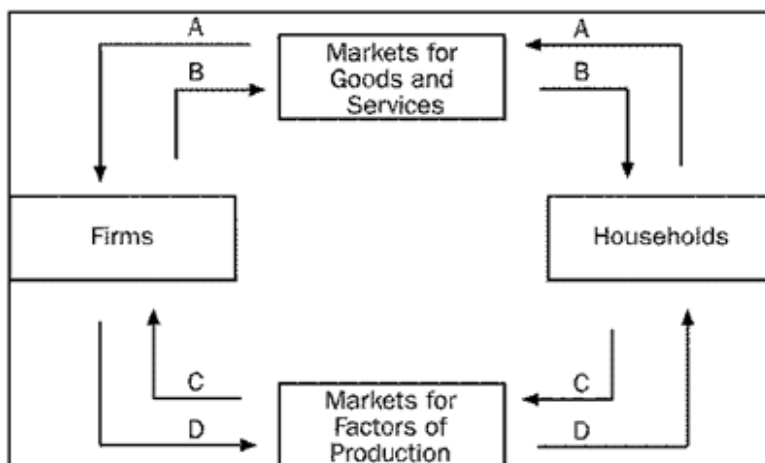
- ☒ Both (a) and (b) are correct.

Question 3**1 / 1 pts**

Factors of production are

- ☐ the mathematical calculations firms make in determining their optimal production levels.
- ☐ social and political conditions that affect production.
- ☐ the physical relationships between economic inputs and outputs.
- ☒ inputs into the production process.

Correct!**Question 4****1 / 1 pts**

Figure 2-1

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

☐ A

☒ B

☐ C

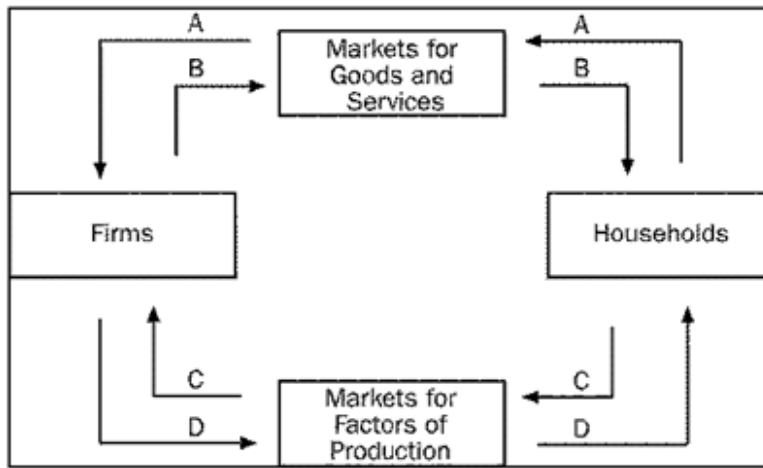
☐ D

Correct!

Question 5

1 / 1 pts

Figure 2-1



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

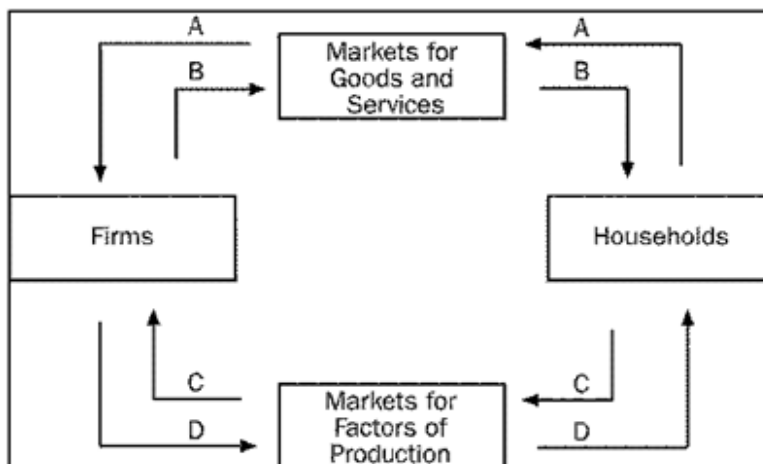
Correct!

- ☒ A
- ☐ B
- ☐ C
- ☐ D

Question 6

1 / 1 pts

Figure 2-1



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

☐ A

☐ B

☒ C

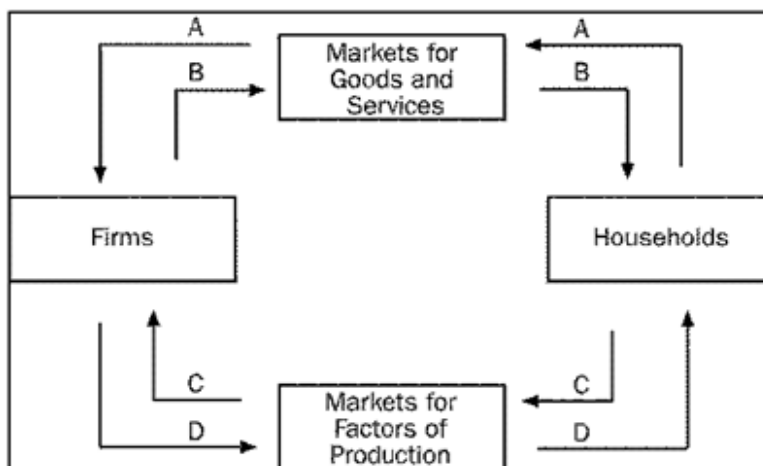
☐ D

Correct!

Question 7

1 / 1 pts

Figure 2-1



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

☐ A

☐ B

☐ C

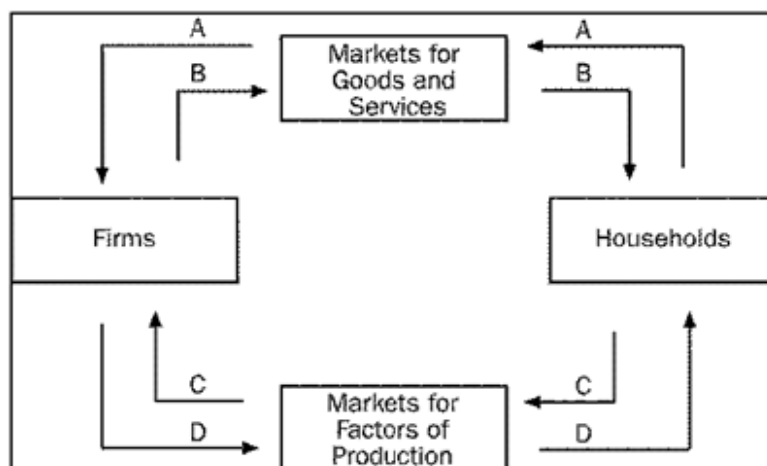
☒ D

Correct!

Question 8

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?

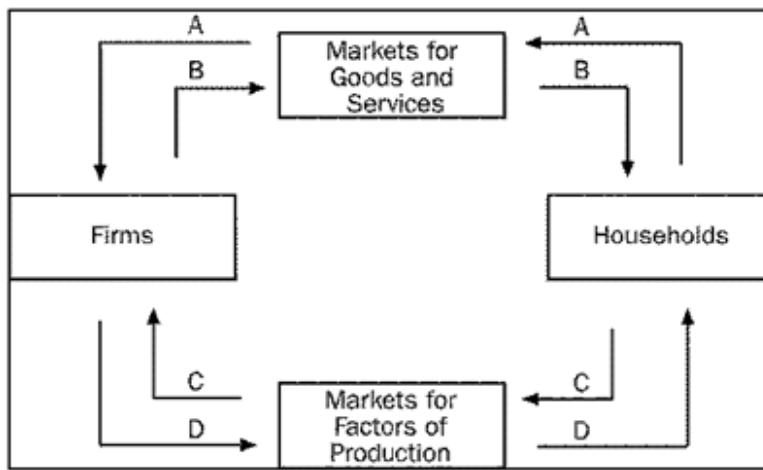
- ☐ A only
- ☒ A and B
- ☐ C only
- ☐ C and D

Correct!

Question 9

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

Correct!

Question 10

1 / 1 pts

Unemployment would cause an economy to

- ☒ produce inside its production possibilities frontier.
- ☐ produce on its production possibilities frontier.
- ☐ produce outside its production possibilities frontier.
- ☐ experience an inward shift of its production possibilities frontier.

Correct!

Question 11

1 / 1 pts

A production possibilities frontier can shift outward if

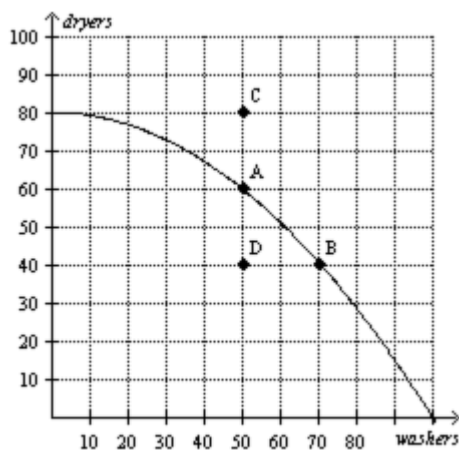
- ☐ government increases the amount of money in the economy.
- ☒ there is a technological improvement.
- ☐ resources are shifted from the production of one good to the production of the other good.
- ☐ the economy abandons inefficient production methods in favor of efficient production methods.

Correct!

Question 12

1 / 1 pts

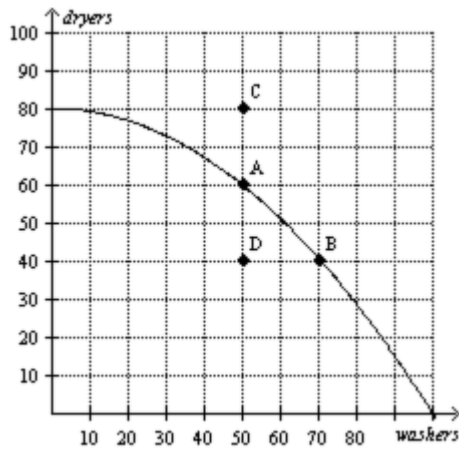
Figure 2-5



Refer to Figure 2-5. If this economy devotes all of its resources to the production of dryers, then it will produce

Correct!

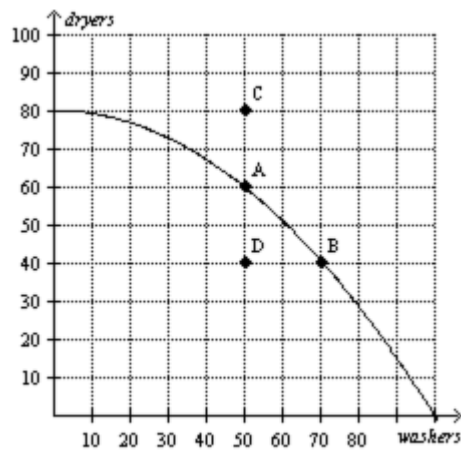
- ☐ 0 dryers and 100 washers.
- ☐ 60 dryers and 50 washers.
- ☒ 80 dryers and 0 washers.
- ☐ 80 dryers and 50 washers.

Question 13**1 / 1 pts****Figure 2-5**

Refer to Figure 2-5. It is *not* possible for this economy to produce at point

- ☐ A.
- ☐ B.
- ☒ C.
- ☐ D.

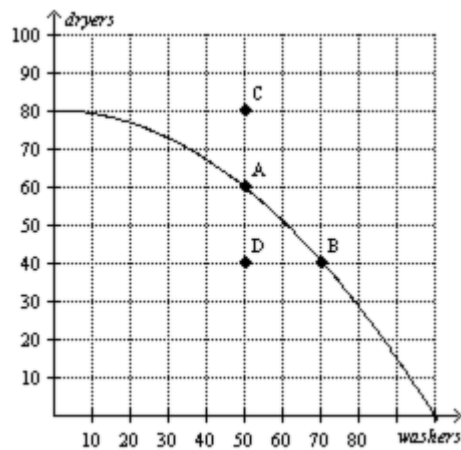
Correct!

Question 14**1 / 1 pts****Figure 2-5**

Refer to Figure 2-5. This economy cannot currently produce 70 washers and 70 dryers because

- ☐ it is not using all of its resources.
- ☐ it is not using the most efficient production process.
- ☒ it does not have the resources and technology to produce that level of output.
- ☐ All of the above are correct.

Correct!**Question 15****1 / 1 pts****Figure 2-5**



Refer to Figure 2-5. Suppose this economy is producing at point D. Which of the following statements would best explain this situation?



The economy has insufficient resources to produce at a more desirable point.



The economy's available technology prevents it from producing at a more desirable point.



There is widespread unemployment in the economy.



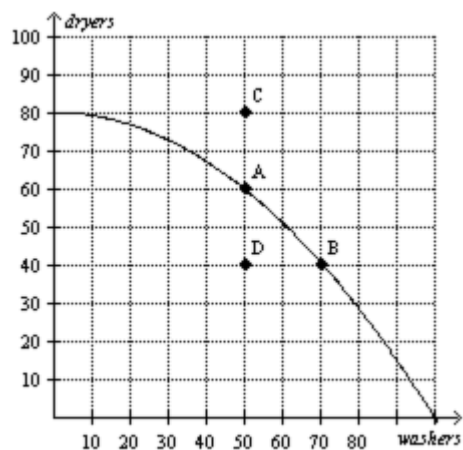
Any of the above statements would be a legitimate explanation for this situation.

Correct!

Question 16

1 / 1 pts

Figure 2-5



Refer to Figure 2-5. Efficient production is represented by which point(s)?

Correct!

☒ A, B

☐ A, B, D

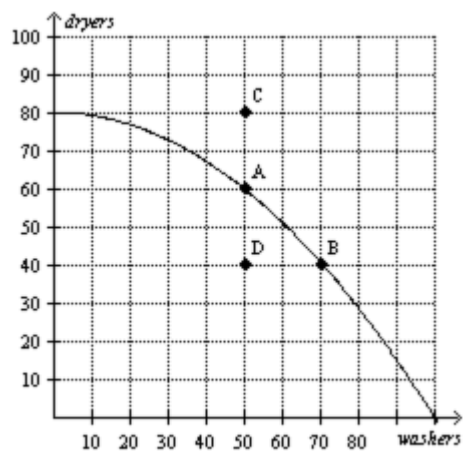
☐ A, B, C

☐ C

Question 17

0 / 1 pts

Figure 2-5



Refer to Figure 2-5. Inefficient production is represented by which point(s)?

☐ A, B

☐ C

You Answered

☒ C, D

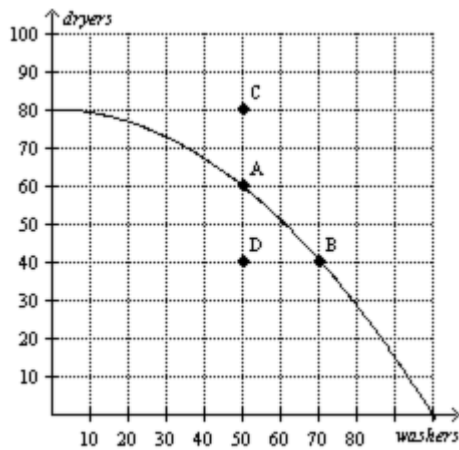
Correct Answer

☐ D

Question 18

1 / 1 pts

Figure 2-5



Refer to Figure 2-5. The opportunity cost of this economy moving from point A to point B is

Correct!

☒ 20 dryers.

☐ 20 washers.

☐ 20 dryers and 20 washers.

- ☐ 60 dryers.

Question 19**1 / 1 pts**

The bowed shape of the production possibilities frontier can be explained by the fact that

- ☐ all resources are scarce.
- ☐ economic growth is always occurring.
- ☒ the opportunity cost of one good in terms of the other depends on how much of each good the economy is producing.
- ☐ the only way to get more of one good is to get less of the other.

Correct!**Question 20****1 / 1 pts**

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

- ☐ Gasoline prices ought to be lower than they are now.
- ☐ The federal government should raise taxes on wealthy people.
- ☐ The social security system is a good system and it deserves to be preserved as it is.
- ☒ All of the above are normative statements.

Correct!

Quiz Score: **19** out of 20