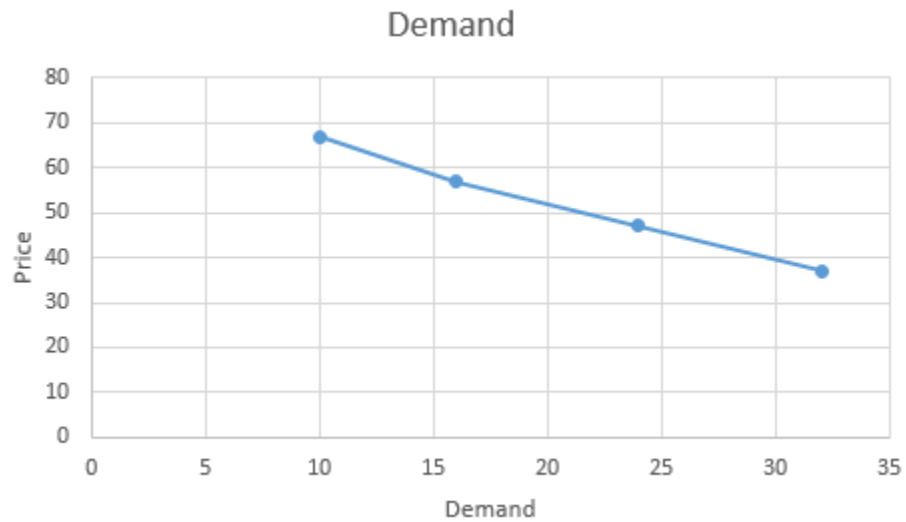


# Engineering Microenconomics HW 5

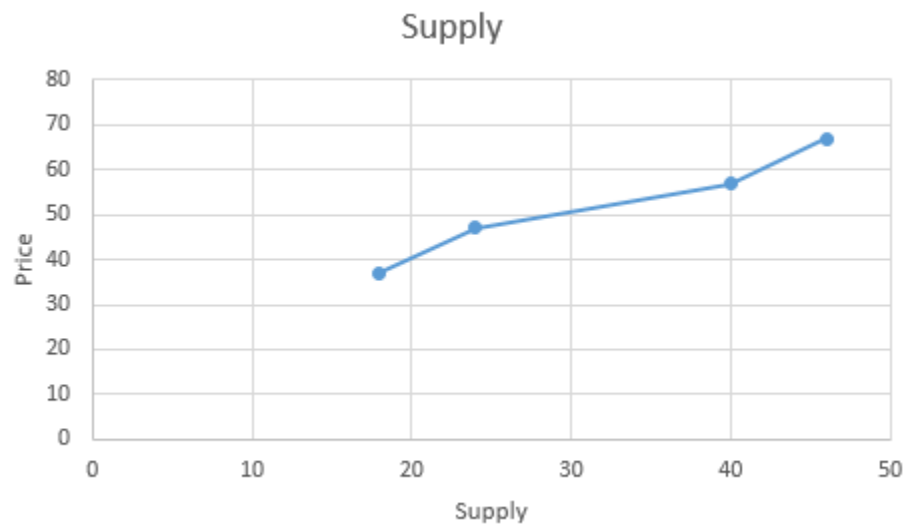
Nikhil Menon

October , 2016

1.



2.



3. On the supply side, the prevalence of porn increases supply, meaning that women have to compete more. In addition to this, the creation of birth control and the decrease of social stigma associated with sex

decreased the cost to women, meaning that more women who wanted to have sex were able to do so.

4. The supply is much greater than the demand. There are many more people who want to be drug dealers for various reasons than the gang leaders need, so they can afford to give them low wages, knowing that if they leave, someone will take their spot.

5. The amount of airplane tickets during peak time doesn't change. Namely, airplane companies can send out more planes, but since trips are for so long, it doesn't really change the supply of airplane tickets. However, the time of greatest corn consumption corresponds to when most of the corn is ready to be sold, so the price would decrease. During off-season times, farmers would have to use plots to grow sweet corn that they could have instead used to be growing other, more profitable crops.

6. C

7. A

8. B

9. C

10. D

11. C

12. A

13. (1) The demand for corn chip would increase, so the demand curve would shift to the right. (2) The supply would decrease, so the supply curve would shift to the left. So overall, the price would increase, and the change in quantity is unknown

14. Although, there were a few points where it got close, like April-May 2008, but overall, the Democratic Party was predicted to win by a large margin.

15.

$$11 * 14 + 11 * 10 + 11 * 6 + 11 * 2 = 352$$

16. The seller should sell at \$62 to maximize his own surplus. He/she would make  $62 * 22 = 1364$  in revenue and  $58 * 11 + 60 * 11 = 1298$  in total costs for a total surplus of \$66.

17. I examined the prices for ski resorts in 2 locations: Vail, Colorado and Mountain Creek, New Jersey. Tickets are \$149 for adults, \$103 for children, and \$139 for seniors at Vail, with a \$10 increase on weekends, and lodging can vary from \$500 to as much as \$1000 a night. In contrast, tickets at Mountain Creek are \$75 a day for adults and \$65 for children and seniors with no change during weekends, and lodging is about \$150-300 a night. The large difference in prices is mainly due to a difference in demand. Vail is one of the premier resorts in the country, so there are many more people who are willing to travel and go there. Therefore, the owners can get away with charging higher prices. On the other hand, Mountain Creek is mainly frequented by locals and residents of New Jersey, so the owners must charge lower prices to attract customers.