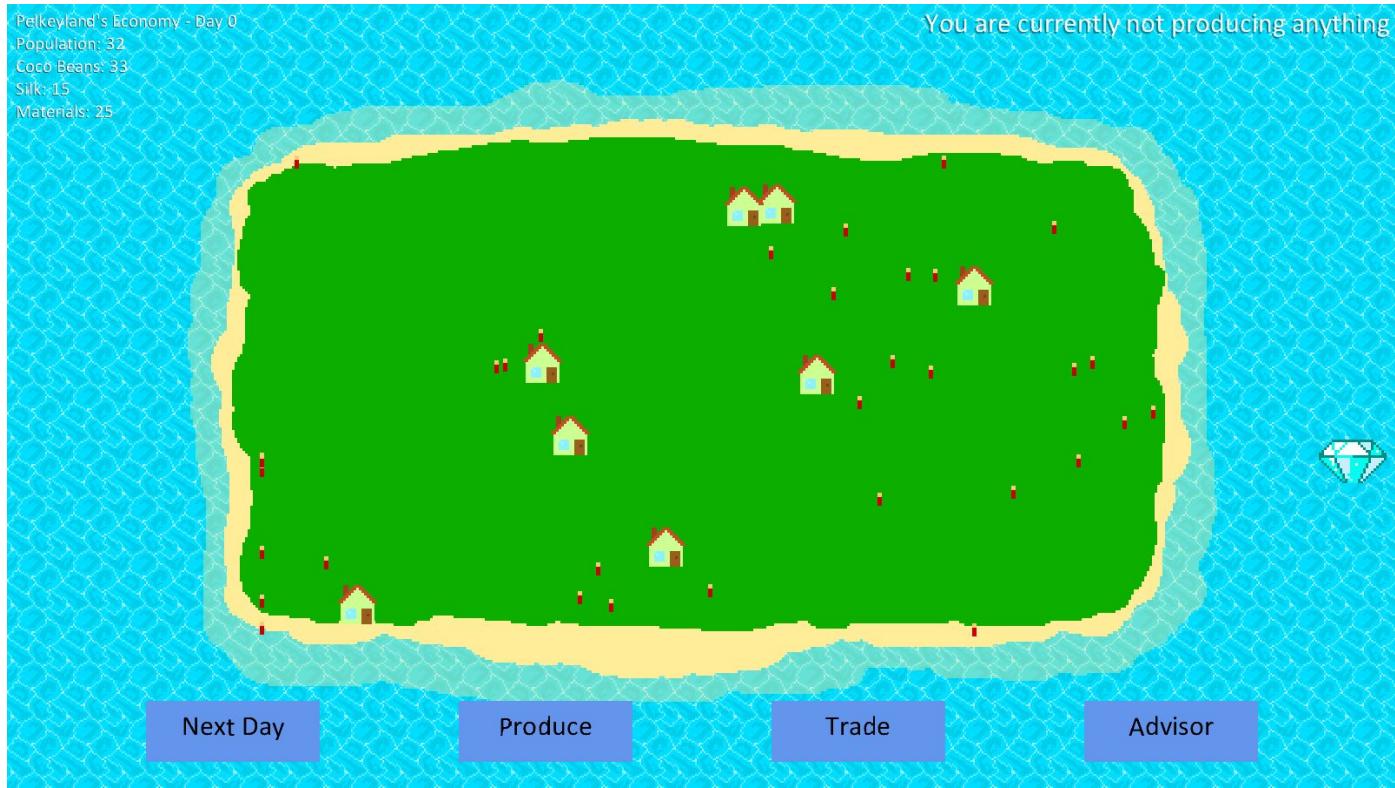


A Diamond in the Water: Game Guide

Background

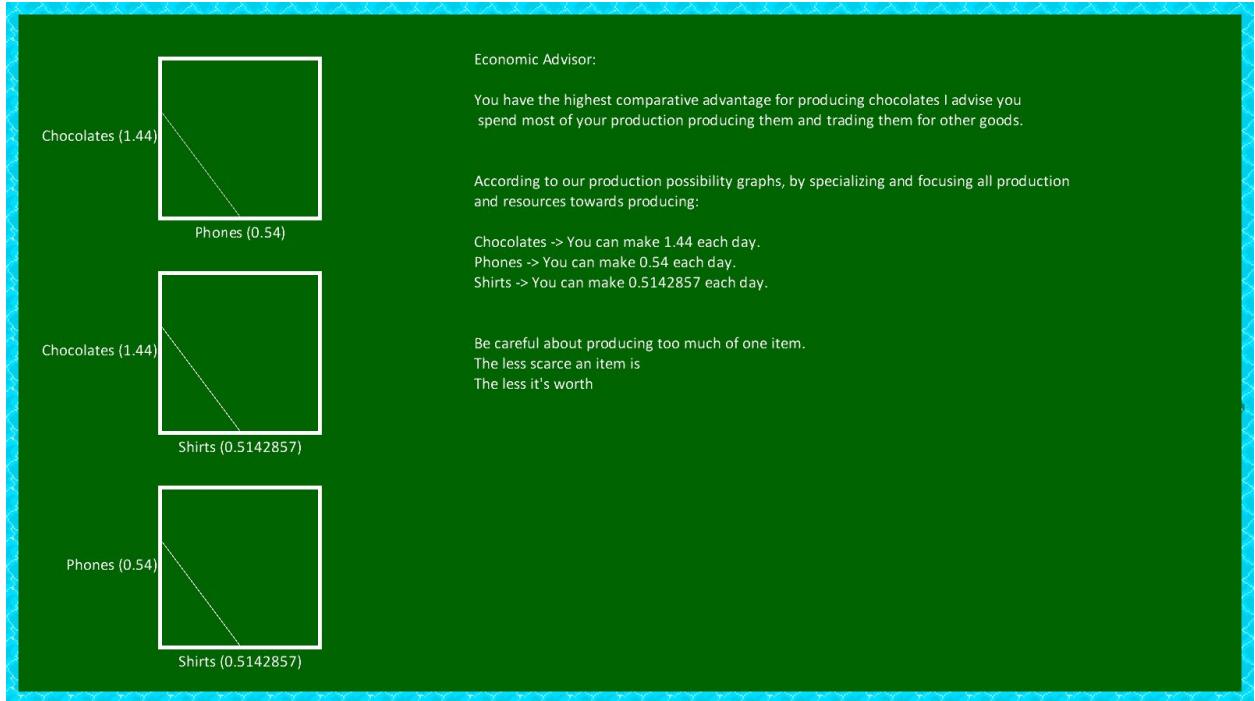
You are the leader of glorious a country named *PelkeyLand*. You are to make decisions on what to produce, what to trade, what policies to enact, and what to specialize in. There are two other nations in which you may interact with: *The People's Republic of Berkeley* and *The Sunnyvale Union*. The goal of the game is to have the richest economy by the end of sixty days.

Getting Started



When you open the game, you will be greeted to your island. This is called the nation's overview. The flashing text in the top-right corner alerts you when you are not producing anything. Be sure to **always** produce something each day. Otherwise, the production possibility during that day is wasted.

Important Note: If you want to adjust the music volume, there is a button on the bottom right of the nation's overview

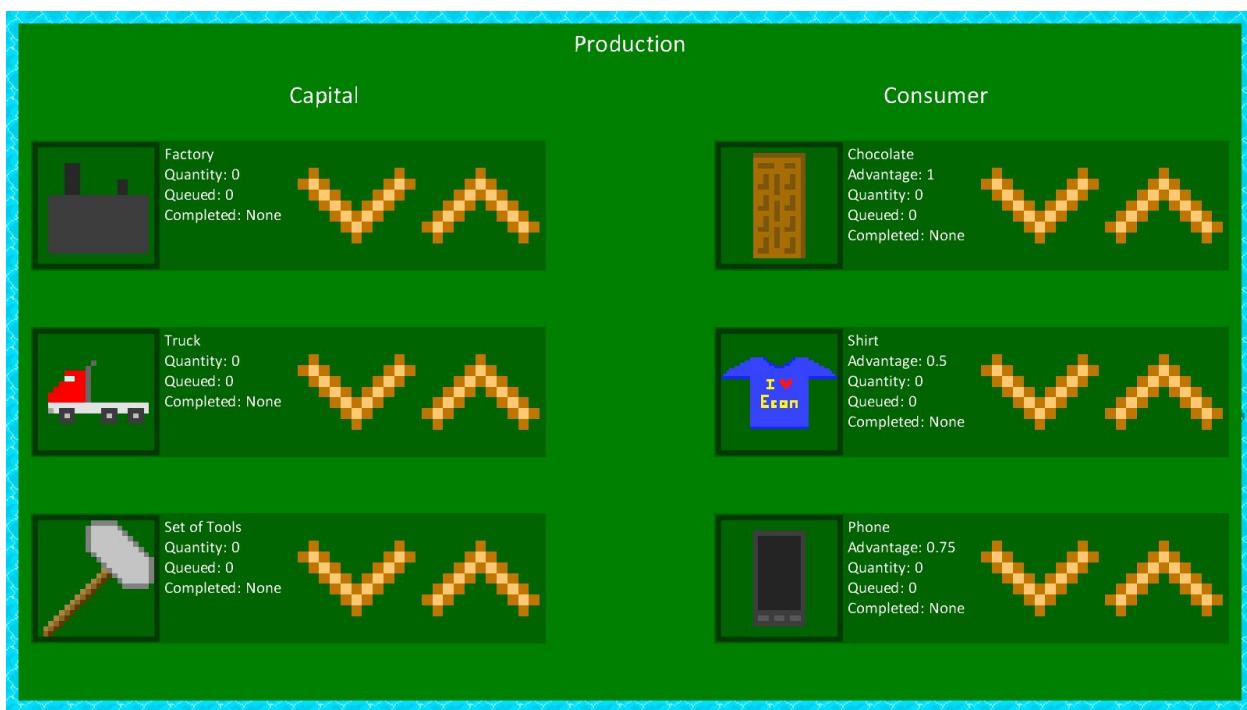


I advise you first click on the *Advisor* button from the nation overview. Here you can look at information provided by an economic advisor. The information given can show you what you can produce during that day. There are three graphs that show your production possibilities and a summary from your economic advisor.

Important Note: To exit **any** of the four menus, press ESC.

Producing Consumer and Capital Goods

To start deciding what to produce, click the *produce* button from the nation overview. A menu named *Production* appears.



On the left, you may produce capital goods. These goods cannot be traded, but increase your nation's production capabilities. On the right, you may produce capital goods. These goods may be traded with other nations.

When producing consumer goods, it's important to know what they give you. The factory takes a lot of production, but adds the most production efficiency to your country. The truck takes less production, but adds less production to your country. The set of tools takes the least amount of production, but adds the least production to your country.

When producing consumer goods, the menu shows your *Advantage*, which is your comparative advantage to the other two nations. A higher comparative advantage allows your nation to produce the good at a higher rate, while a lower comparative advantage causes your nation to be less efficient in producing that good.

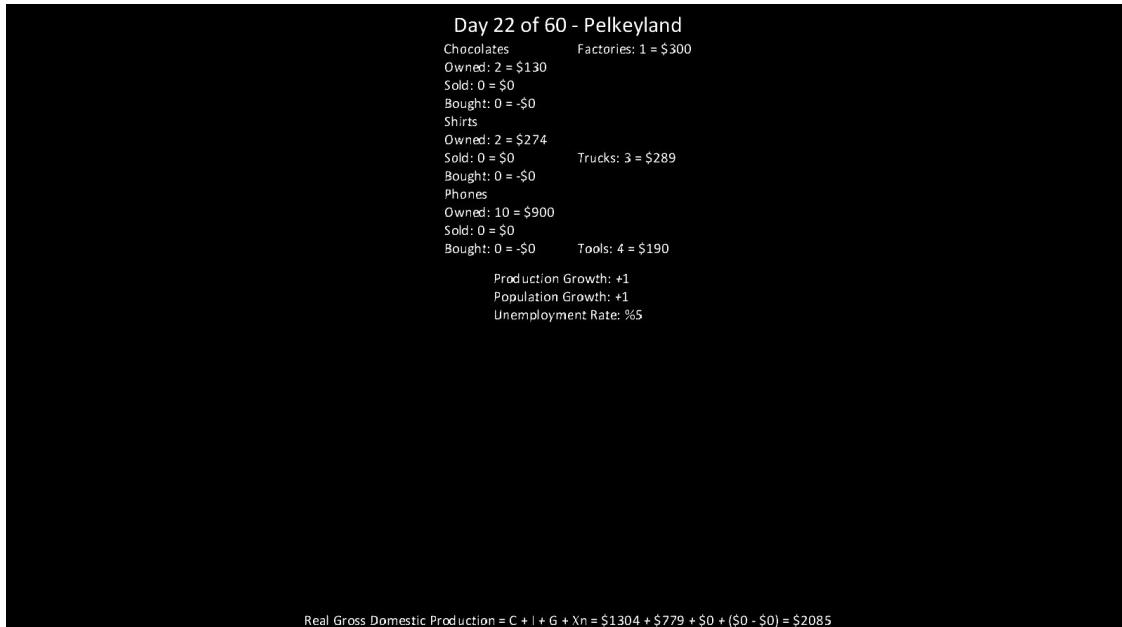
When you click on the **arrows** to produce, you add a unit of the good to a queue to be produced. As you progress each day, each good that you queue will be worked on by your nation's laborers.

Progressing

Progressing in the game will cause a day to pass in game time. To progress, click the *Next Day* button from the nation's overview.

Important Note: Make sure your country is producing each day. Remember, any day where a nation is not producing is wasted production.

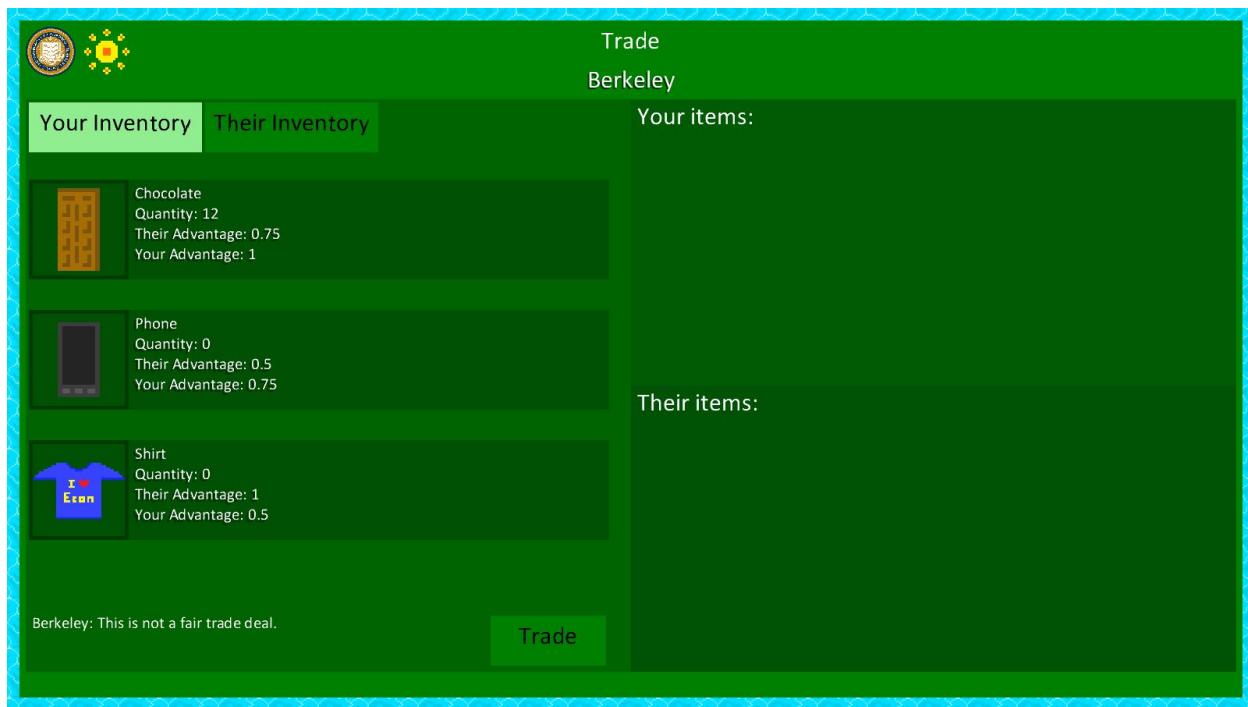
Whenever you progress a day, an end day screen will appear that will show your nation's GDP, population growth, and production growth.



Trading with Other Nations

A very important aspect of this game is trading. Trading will allow you to obtain goods that would have taken your nation a higher cost to produce. Understanding opportunity cost will be vital for trading.

To start trading, click on the *Trade* button from the nation overview.



A menu named *Trade* appears. Here you can conduct trade with the other two nations: Berkeley and Sunnyvale. You can select *Your Inventory* or *Their Inventory* to see what you and the nation you're trading with possesses to trade with, as well as both of your comparative advantages. To change the nation you're trading with, click on their country's **icon** in the top-left corner.

To add items to trade, click on the icons for the various goods on the left side. Clicking on the **item's icon** from your inventory will add them to the *Your items* panel on the right, and clicking on the **item's icon** from their inventory will add them to the *Their items* panel beneath it.

The goal of each trade is to find a trade deal that is beneficial to both yours and their country.

The nation you're trading will only accept a deal if it benefits them based on opportunity cost.

The End Game

The goal of the game is to reach as rich of an economy as possible. That means you need to increase your GDP as much as you can. At the end of your rule, the game will determine how well you rank.

Ending the game with:

+\$10000

Game Over!

Your leadership ended with an economy worth \$9275

2019

Macroeconomics

Your score: **5**

About your score ▾



You're the one!

+\$9000

Game Over!

Your leadership ended with an economy worth \$7458

2019

Macroeconomics

Your score: 4

[About your score](#) ▾



You've got potential

+\$8000

Game Over!

Your leadership ended with an economy worth \$6458

2019

Macroeconomics

Your score: 3

[About your score](#) ▾



Congratulation, you passed the class.

+\$7000

Game Over!

Your leadership ended with an economy worth \$5458

2019

[Macroeconomics](#)

Your score: **2**

[About your score ▾](#)



Don't worry. At The People's Republic of Berkeley,
we give you shovel. It's glorious!

Less than \$6000

Game Over!

Your leadership ended with an economy worth \$0

2019

[Macroeconomics](#)

Your score: **1**

[About your score ▾](#)



You were supposed to be the one, not get a one...

Demonstrated Economic Concepts

1. Production Possibility

- a. You can only produce a certain amount of goods in a given period of time. If you produce more capital goods, your production capabilities increase and allow you to in turn produce more goods in the future.

2. Comparative Advantage

- a. When you start up the game, you are given a random amount of various resources. These resources give you a comparative advantage to other nations on what you can produce: coco gives advantage on chocolate, silk gives advantage on shirts, and materials give an advantage on phones.

3. Exchange Rates

- a. Each nation has a different exchange rate when you trade with them. Since we do not use fiat money and instead use the bartering system, exchange rates are based off opportunity cost.

4. Factors of Production

- a. You are the leader of the nation. You are an entrepreneur. You have land, you have laborers, and you have the potential to create capital goods. Therefore, you have all four factors of production: Land, Labor, Capital, and Entrepreneurship

5. Law of Diminishing Marginal Utility

- a. As you produce more of an item, the marginal value that item is worth to your nation decreases. This is why it is important to have different types of goods.

6. Diamond-Water Paradox

- a. There's sometimes a diamond in the water. A symbolic representation of the law of diminishing marginal utility.

7. GDP

- a. At the end of each day, your nation's GDP is calculated based on what consumer goods you have created, what capital you have created, and what you have traded.
- b. GDP is the winning condition of the game

8. Natural Rate of Unemployment

- a. When your economy is doing well, the rate of unemployment lies ~%5 (it is rounded in the game).

9. Say's Law

- a. Demand for each item is automatically determined by the item's supply.

10. Opportunity Cost

- a. Other nations will trade with you based on opportunity cost. This is why specializing your production on something you have the advantage in is optimal for trading.

11. Trade-off

- a. By producing more of one item, you trade off production towards another item.

Minigame

To play the minigame, click on the *Bonus* button on the menu screen.

How to Play

- W or ↑ to move up
- S or ↓ to move down
- A or ← to move left
- D or → to move right
- Spacebar to Fire!
- Avoid the cubes and beat the final boss to win!

Minigame Economic Concepts

12. Aggregate Demand and Supply Curve



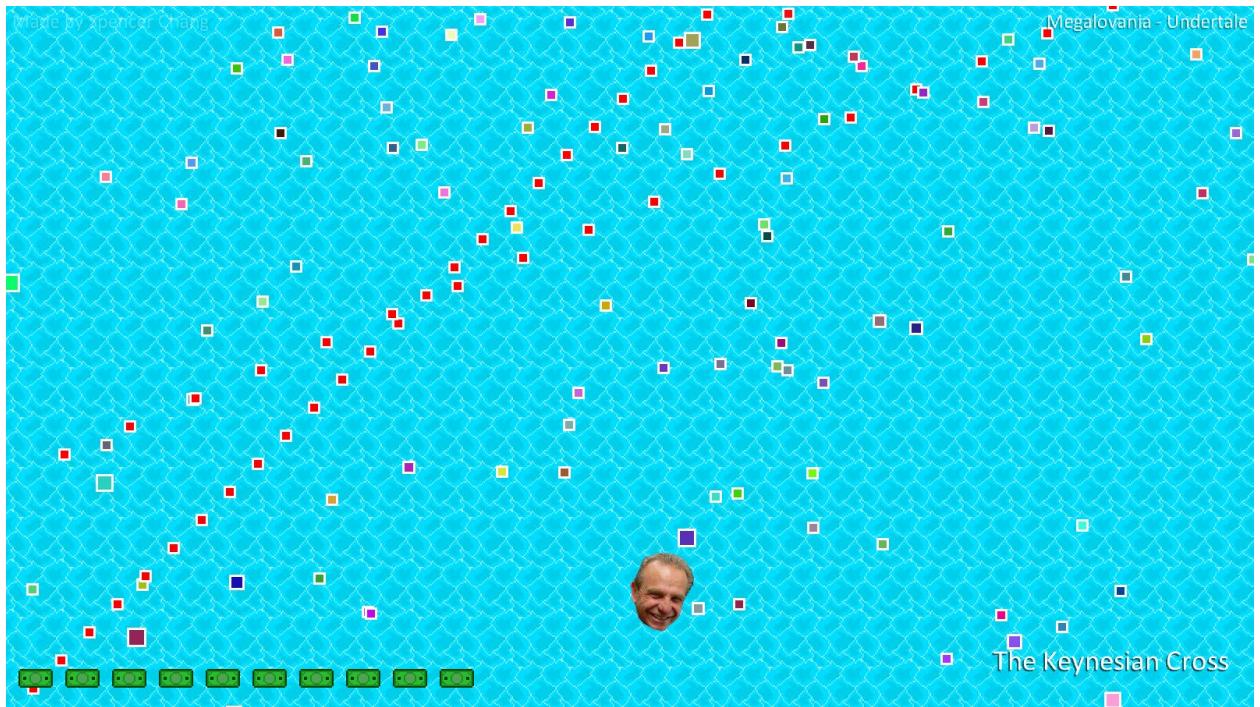
13. Business Cycle Graph



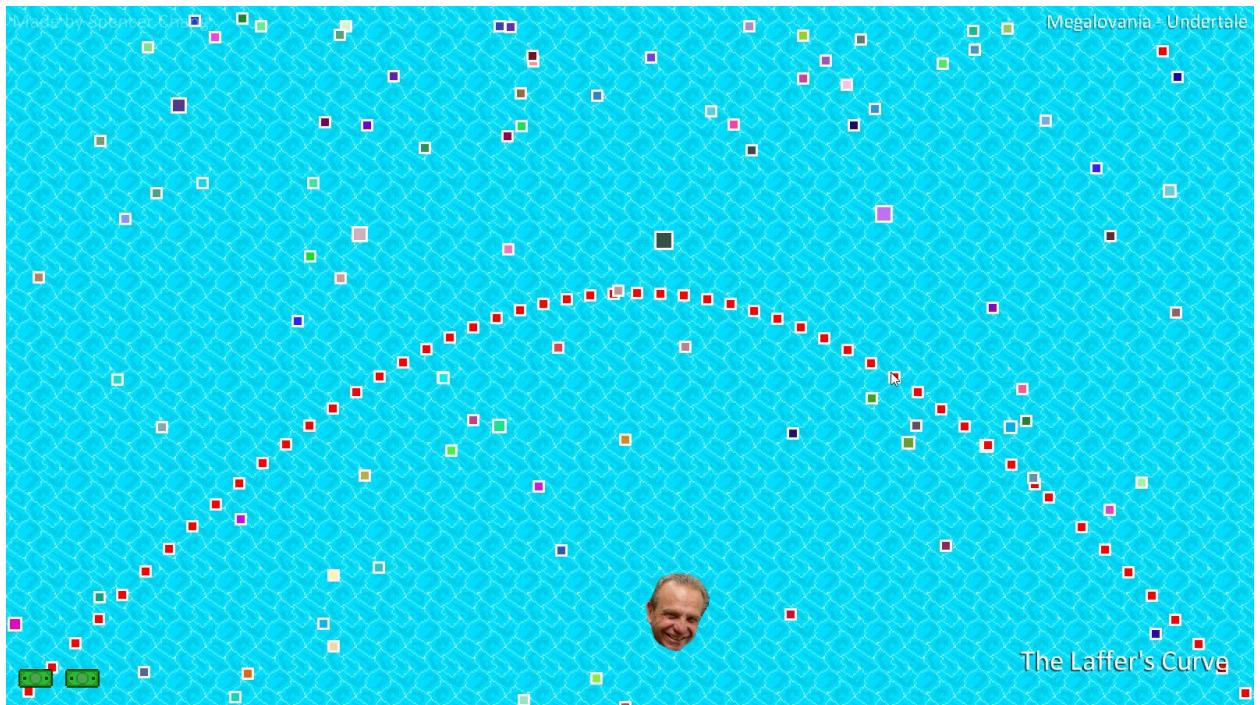
14. Phillips Curve



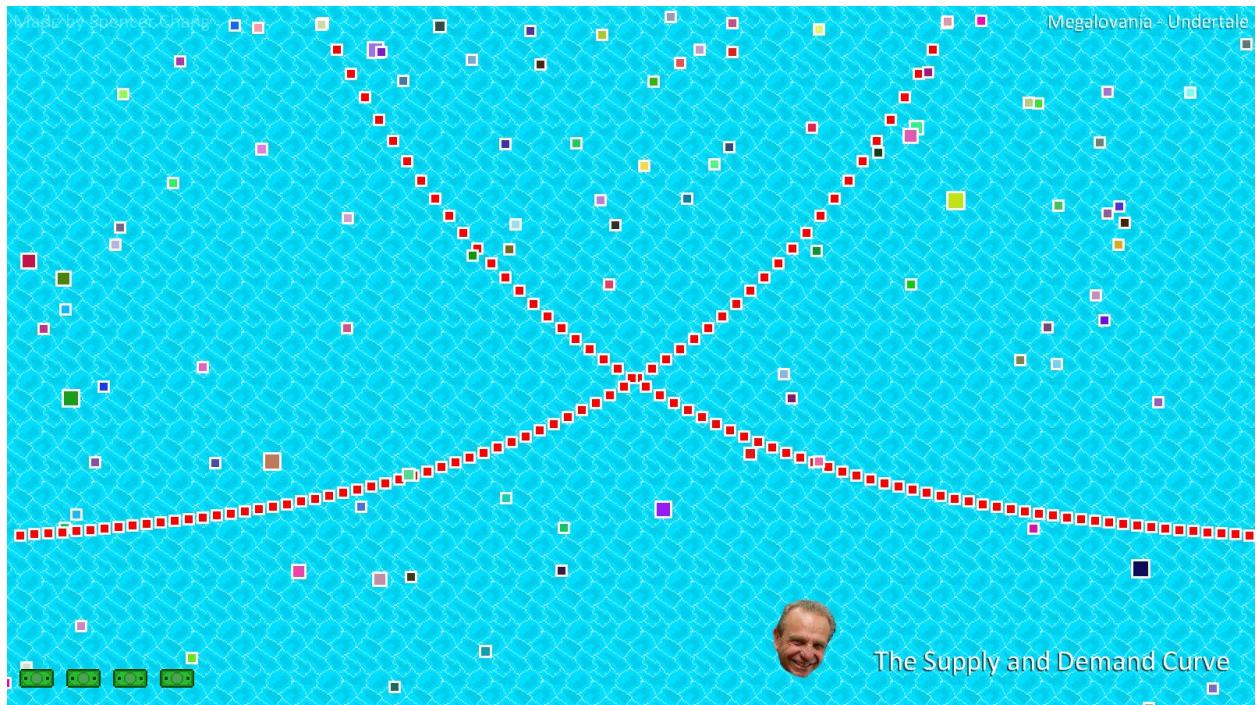
15. Keynesian Cross



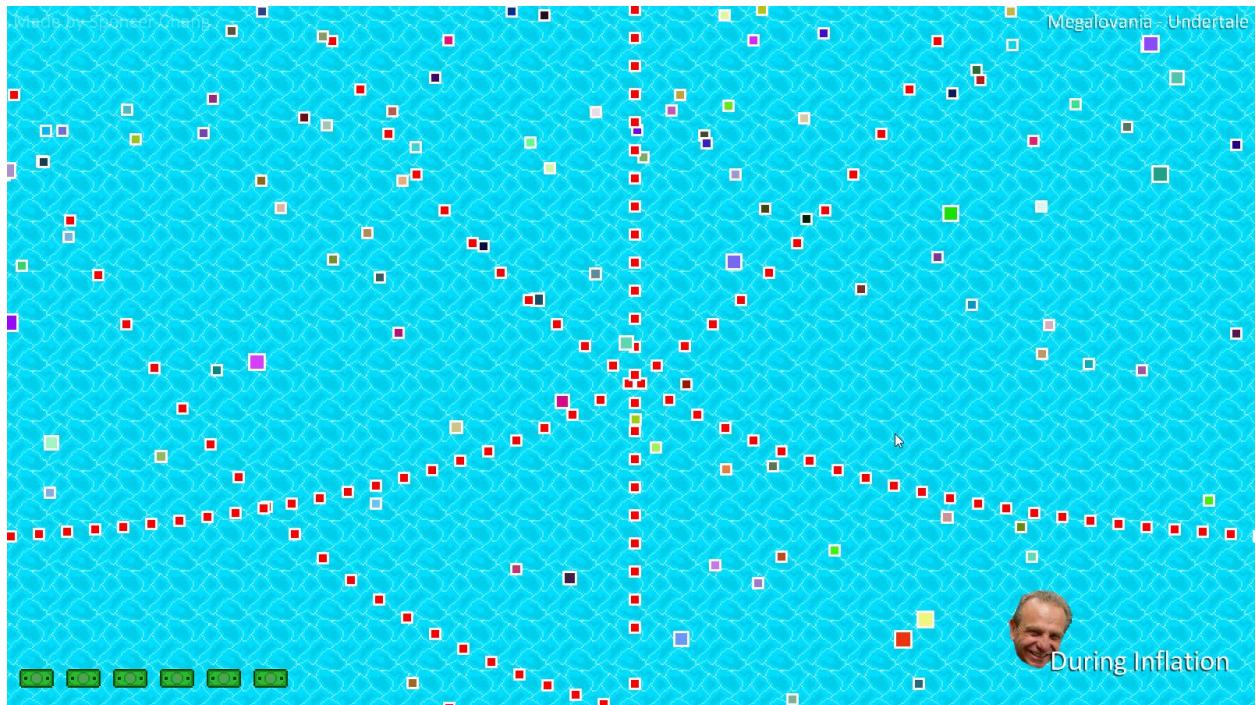
16. Laffer's Curve



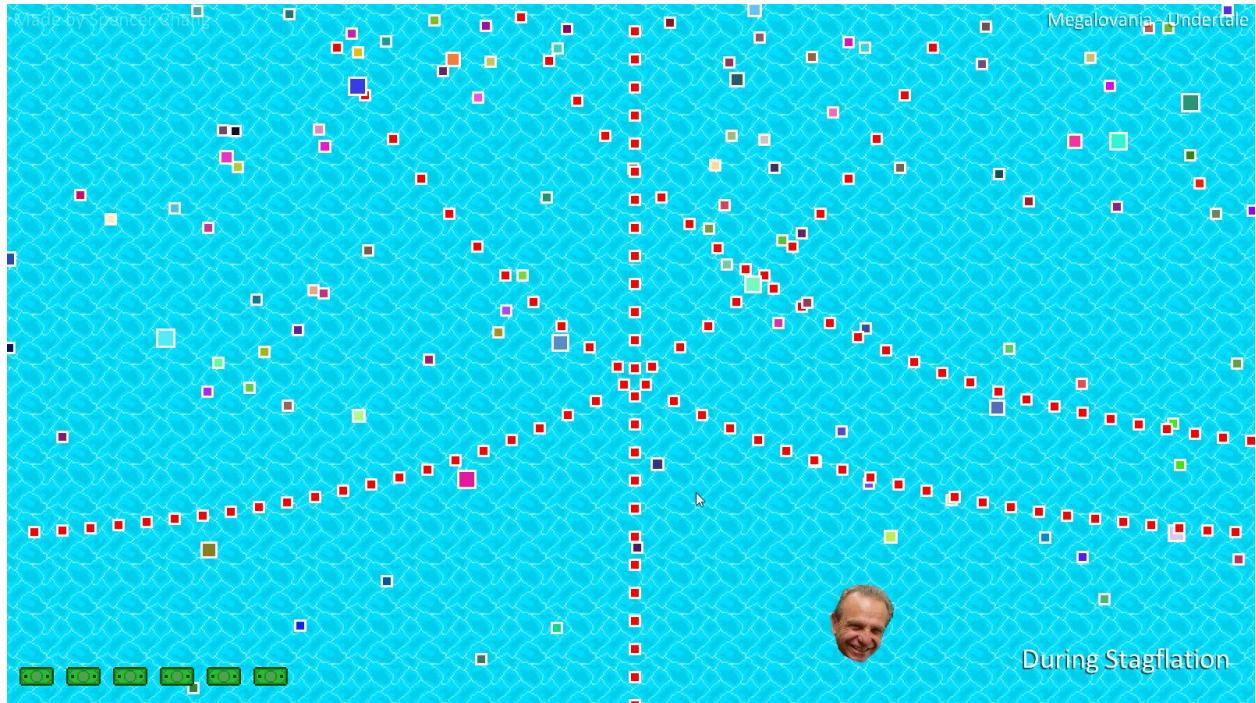
17. Supply and Demand



18. Recession/Depression



19. Inflation



20. Shifts in Aggregate Supply

