## Critical Thinking Questions

20.

Suppose you have a team of two workers: one is a baker and one is a chef. Explain why the kitchen can produce more meals in a given period of time if each worker specializes in what they do best than if each worker tries to do everything from appetizer to dessert.

21.

Why would division of labor without trade not work?

22.

Can you think of any examples of *free* goods, that is, goods or services that are not scarce?

23.

A balanced federal budget and a balance of trade are secondary goals of macroeconomics, while growth in the standard of living (for example) is a primary goal. Why do you think that is so?

24.

Macroeconomics is an aggregate of what happens at the microeconomic level. Would it be possible for what happens at the macro level to differ from how economic agents would react to some stimulus at the micro level? *Hint:* Think about the behavior of crowds.

25.

Why is it unfair or meaningless to criticize a theory as “unrealistic?”

26.

Suppose, as an economist, you are asked to analyze an issue unlike anything you have ever done before. Also, suppose you do not have a specific model for analyzing that issue. What should you do? *Hint:* What would a carpenter do in a similar situation?

27.

Why do you think that most modern countries’ economies are a mix of command and market types?

28.

Can you think of ways that globalization has helped you economically? Can you think of ways that it has not?