## Chapter 16

[1](http://openstax.org/books/principles-microeconomics-3e/pages/16-self-check-questions#fs-idp89150912).

1. Imperfect information is relatively low; after all, you can see the apples.
2. Imperfect information is relatively low. The neighborhood restaurant probably has a certain local reputation.
3. Imperfect information is relatively high. How can you tell whether the computer is really in good working order? Why are they selling it?
4. Imperfect information is relatively high. What do those flowers really look like?

[2](http://openstax.org/books/principles-microeconomics-3e/pages/16-self-check-questions#fs-idp8078640).

Asymmetric information often exists in the labor market because employers cannot observe many key employee attributes until after the person is hired. Employees, however, know whether they are energetic or detailed-oriented. Employers, therefore, often seek schools to pre-screen candidates. Employers may not even interview a candidate unless he has a degree and often a degree from a particular school. Employers may also view awards, a high grade point average, and other accolades as a signal of hard work, perseverance, and ability. Finally, employers seek references for insights into key attributes such as energy level, work ethic, and so on.

[3](http://openstax.org/books/principles-microeconomics-3e/pages/16-self-check-questions#fs-idm1604784).

It is almost impossible to distinguish whether a health outcome such as life expectancy was the result of personal preferences that might affect health and longevity, such as diet, exercise, certain risky behavior, and consumption of certain items like tobacco, or the result of expenditures on health care (for example, annual check-ups).