

Intro Microeconomics | MiniExam A

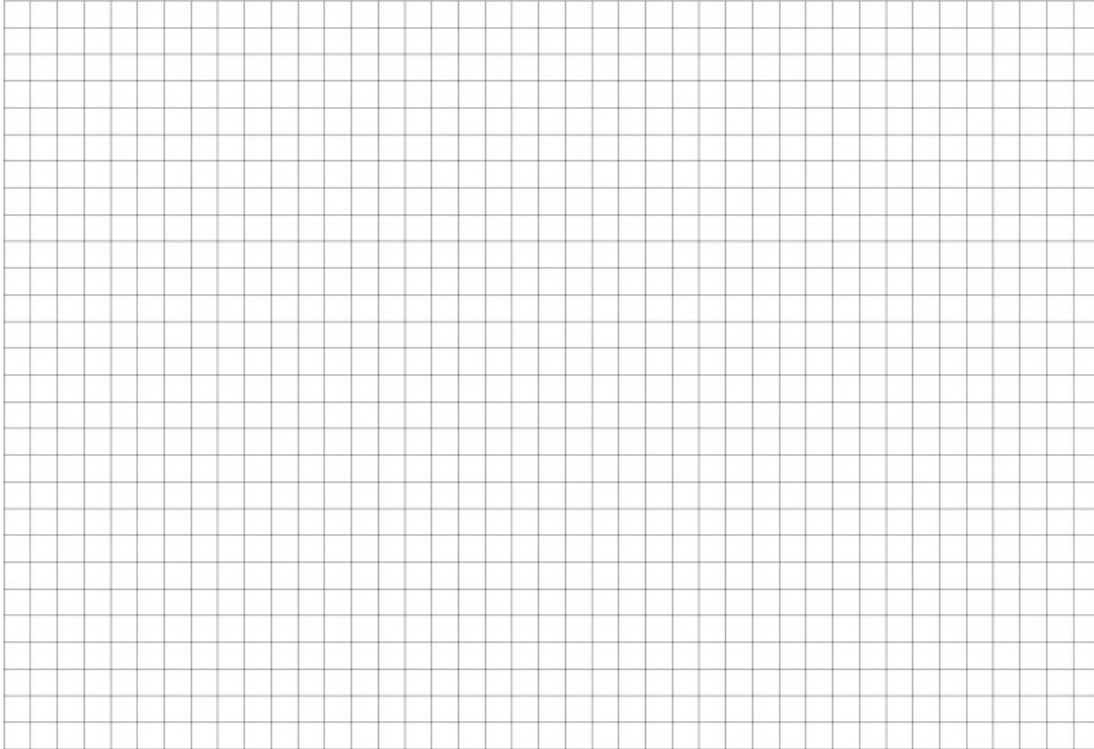
Due Tuesday September 6

This MiniExam will take 20 minutes with a coffee break to follow. MiniExams are designed to both test your knowledge and challenge you to apply familiar concepts in new environments. Treat it as if you're trying to show me that you understand the material. Show your work so I can understand your thought process for partial credit. And answer clearly and completely.

The Agricultural History of Molly and Andrew

Question 1

Many years ago Molly operated a large farm growing Corn and Tomatoes. She managed many farm hands and one tractor. Corn requires a tractor for planting, tending, and harvesting, which presented a bottleneck for farm hands. Tomatoes, however, are much more hands on. Each farm hand was able to harvest a certain number of bushels per day. Due to a viral video the popularity of Corn spiked and Molly decided to switch workers from growing Tomatoes to growing Corn. Use a Four Quadrant PPF to show what happens to her output. No need to discuss numbers.



Question 2

Molly, however, decided she needed to slow down her farming operations and decided she no longer needed farm help. This had the upside of eliminating the bottleneck with the tractor. Her new productivity is 10 tons Corn and 15 tons Tomatoes. Andrew, the small scale organic farmer, was also growing Corn and Tomatoes at the time, and could grow 10 tons Corn and 10 tons Tomatoes. Which farmer has a comparative advantage in Tomatoes? You don't need to make graphs or tables, but often these tools are helpful.

