

Name:

Weekly Review 5 – Due Thursday, March 18th

Bring to class, having attempted as much as possible

We will grade in class

Turn in corrected assignment to Blackboard after class

1. A Production Possibilities Frontier is:
 - a. A line depicting the alternative baskets of goods between which society is indifferent.
 - b. A line drawn in the sand between firms on the battlefield.
 - c. A line depicting the most that can be produced for a given amount of resources.
 - d. A line depicting the growth path of a country specializing in their comparative advantage

2. England is less efficient than Portugal at producing both wine and corn. However, the opportunity cost to produce wine is less in England than it is in Portugal. Which of the following is true?:
 - a. Portugal has a comparative advantage in wine.
 - b. England has a comparative advantage in wine.
 - c. England has an absolute advantage in wine.
 - d. England has an absolute advantage in corn.

3. Which of the following is NOT an example of an opportunity cost?
 - a. The wages you would be receiving if you were working full time instead of going to school
 - b. How much less cloth England will be able to produce if they decide to produce one more vat of wine
 - c. How much labor it takes Portugal to produce wine
 - d. The number of concerts you will have to skip in order to budget for a trip to Paraguay

4. According to our definitions used in class, Capitalism is:
 - a. An economic system
 - b. Where the means of production are privately owned
 - c. When workers are hired for a wage to produce commodities
 - d. All of the above

5. An economic policy that prohibits the entry of foreign produced wool to help promote domestic wool production could be considered:
 - a. laissez-faire
 - b. neoliberal
 - c. globalization
 - d. protectionism

6. An economic policy that prohibits the use of quotas, tariffs, and taxes on exported or imported products could be considered:
 - a. progressive
 - b. protectionism
 - c. laissez-faire
 - d. democratic

7. Which of the following is NOT a justification for a laissez-faire policy?:
 - a. markets are better at allocating resources than governments
 - b. when weak companies die, it frees up resources for more efficient production in other sectors
 - c. when infant industries are protected, they can grow into strong economic forces
 - d. innovation is best promoted through market-based competition

For the next three questions 1 pt each) match the descriptions to the word it best describes listed here:

- a) cost
- b) opportunity cost
- c) production possibility frontier

8. The most you can have of one thing in order to get another unit of another thing: _____

9. What you would pay to get something: _____

10. What you must give up (in real terms) to get something else:
