

Place your name on the back of this sheet of paper and nowhere else. Staple your answers face up on the front of this sheet of paper. Failure to follow these directions will cost you 1 point. Your assignment will be typed, except graphs can be drawn by hand and mathematical equations can be done by hand. Failure to type it will cost you 10 points. If you use double-sided printing or print on the back of scrap paper, I will give you one additional point.

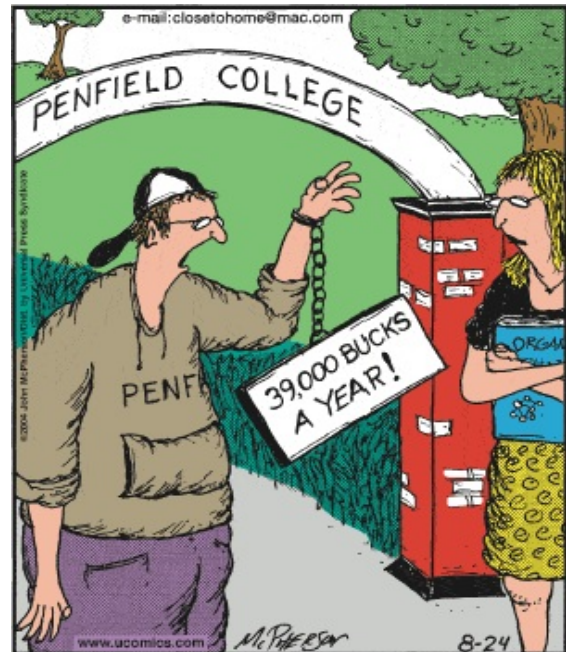
1) (20 points) Assume the \$39,000 in the comic strip by John McPherson is the value of the opportunity costs of a year at Penfield College. If you were his father, what things would you have included in **calculating** the number? Note, I am asking how the father calculated the number – not the uses of the money. Therefore, do not say, “He could have bought a new car.” Explain your logic and include at least four items. (More of his comics can be found at <http://www.closetohome.com/>.)

2) (20 points) Draw a PPF for corn and artwork. Illustrate the effects of a new fertilizer. Explain why the curve moved as drawn.

3) (20 points) Draw a PPF for computers and food. Illustrate the effects of an increase in the population. Explain why the curve moved as drawn.

4) (20 points) Draw the supply and demand for chairs. Illustrate the effects of an increase in the average income of people. Explain why the curve(s) moved as drawn. What happens to the equilibrium price and the quantity sold?

5) (20 points) Draw the supply and demand for hamburgers. Illustrate the effects of people becoming vegan for health reasons. Explain why the curve(s) moved as drawn. What happens to the equilibrium price and the quantity sold?



"My dad is making me wear this until I get my GPA over 2.2."