

Do not write your name on the assignment. Write your name only on the back of this sheet of paper and staple your answers on the front of this sheet of paper. Failure to follow these directions will cost you 1 point on the assignment.

1) (5 points) Is the statement, "We should not attack Iraq," a normative or positive statement. How do you know?

2) (20 points) For the following points, plot the points and find the slope between the first two points. Briefly explain the way you got the points and the slope.

Quantity	Price
5	10
6	8
7	6
8	4
9	2

3) (10 points each) Give the opportunity costs for each part. Make sure you give at least TWO opportunity costs for each part and explain how you got them.

A) Taking a semester off to travel in Italy.

B) Doing this assignment.

4) (20 points) Draw an improvement in producing plastic on the PPC for compact discs versus corn. Explain why the curve moved as drawn.

5) (15 points) Is the slope of the PPC the opportunity costs of the good on the X-axis or the opportunity costs of the good on the Y-axis? Explain your logic.

6) (20 points) Illustrate an increase in the price of bread on the supply and demand for peanut butter. Explain your logic.