

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. Your assignment will be typed, except graphs can be drawn by hand and mathematical equations can be done by hand. Failure to follow these directions will cost you 1 point on the assignment.

1) (20 points) Suppose you were borrow some money from a friend. You agree to pay her back \$1331 a year for three years. The first payment will be a year from today. If she wants a 10% return, then what is the most she will be willing to loan you? Show all work and briefly explain your answer.

2) (20 points each) Illustrate the following events on the supply and demand for fresh oranges in the supermarket. Explain the movement(s) of the curve(s).

A) The demand for orange juice increases.

B) People decide they would rather squeeze their own orange juice.

3) (40 points) Copy the following chart into your answer sheet. Fill it in. Show the mathematics for each entry with mathematics. For the other entries, briefly explain how you got them.

Q	TC	ATC	MC
0	100		
1	160		
2		105	
3			45
	304	76	
	380		76
6	480		
7			150
	990		180