Wilf Csaplar Jr.   Economics 270   Homework #1   **Due Tuesday 1/31**

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) (10 points) Which part of my web page, http://mysite.bethanywv.edu/wcsaplar/ do you think will be most helpful? Why? Is anything missing that you would like to see? What is the URL for the first exam from this class during the last semester it was taught?

2) (10 points) Which part of the Department of Economics and Business's web page, http://www2.bethanywv.edu/econ/ do you think will be most helpful? Why? Is anything missing that you would like to see? If you were a sophomore Business major, then what courses does the departmental web page suggest you be taking this semester?

3) (20 points) Draw the supply and demand for pine wood. Prove that normally the free market capitalism will supply the socially optimal amount of pine wood.

4) (10 points each) Explain what is meant by each term and why it is necessary for capitalism to provide the socially optimal output.
A) Private property
B) Perfect competition
C) Limited government
D) Hard work ethic

5) (20 points) Explain why too large of a Gini Coefficient is bad for an economy and why too small of a Gini Coefficient is also bad for the economy.