

Do NOT write your name anywhere. (Canvas will tell me who turned in the assignment.) All answers must be typed, except for mathematics and graphs. Take pictures of your written answers and use your own software or <https://pdfcandy.com/> to create a single PDF size A4. (pdfcandy.com will convert many file types to PDF, resize PDF, merge PDF and many other things for free. However, Apple phones may require using [CamScanner](#) before using pdfcandy.com.) Failure to follow these directions will cost you 10 points.

- 1) (20 points) What is the difference private ownership of property, public ownership of property, and collective ownership of property? Which do you think will give the most incentive to have the best use of the property? Explain your logic.
- 2) (15 points) What is *moral hazard*? Given an example of it. Why is it important?
- 3) (20 points) Do you think material incentives or moral incentives normally work better? Explain your logic using examples of both.
- 4) (15 points) Give an example of *private rule*. Explain how it is enforced.
- 5) (30 points) Draw a PPF. Use it to explain economic efficiency, and the two ways we can get economic growth.