Week 12: Assignment 12

This is due on Friday, 23rd November.

Course outline

Introduction to Microeconomic Analysis

Week 1: Principles

1. Consider the demand for vanilla ice-cream, which has a price of $1. The demand function is P = 10 - 0.5Q, where P is the price and Q is the quantity. If the price is raised to $2, how does the quantity demanded change?

Week 2: Consumer Behaviour and Demand Curves

2. A consumer buys both tea and coffee. The demand for tea is given by P = 5 - 0.5Q and the demand for coffee is given by P = 2 - 0.2Q. If the price of tea increases, what happens to the demand for coffee?

Week 3: Production and Cost Issues

3. If the price of labor is $5 per hour and the price of capital is $10 per hour, what is the marginal cost of producing one more unit of output if the fixed cost is $20 and the variable cost is $30?

Week 4: Competitiveness

4. In a perfectly competitive market, if a firm is earning positive economic profits, it will enter the market and increase the supply of the product. True or False?

Week 5: Game Theory

5. The Prisoner’s Dilemma is a classic example of a game theory problem. True or False?

Week 6: Microeconomics: A Managerial Approach

6. A company faces a demand function for its product given by P = 10 - 2Q, where P is the price and Q is the quantity. If the company wants to maximize its profits, what should it do?

Week 7: Behavioral Economics

7. Behavioral economics studies how psychological, cognitive, and emotional factors affect economic decisions. True or False?

Week 8: International Economics

8. If the exchange rate between the US dollar and the euro is $1 = 0.85 euros, what is the value of 100 euros in US dollars?

Week 9: Advanced Macroeconomics

9. The aggregate demand and supply model is used to explain changes in the price level and output in an economy. True or False?

Week 10: Macroeconomic Policy

10. If a government increases taxes, it will reduce consumer spending and increase the saving rate. True or False?

Week 11: Economics of Health

11. If the price of health insurance increases, it will reduce the demand for health care. True or False?

Week 12: Economics of Labor

12. If the supply of labor increases, it will reduce the wage rate. True or False?

Assignment Solutions

Download

Low Scores