

My Name is: _____

Chapter 3: The Coffee Market's Hot; Why are Bean Prices Not? Economics by Example, by David Anderson

1. What is the "law of supply?"
2. How does the law of supply describe your own work behavior? Select a task that you perform, and draw a supply graph showing the quantity of hours worked versus the wage you would expect to earn for each additional hour. Use the graph on page 18 as a guide.
3. Page 19. Define – goods:
4. Page 19. Define – inputs:
5. What is the "law of diminishing marginal **returns**." Give an example.
6. "The market supply curve is simply the _____ of individual firms' supply curves." What does this mean?
7. Explain the difference between a "change in the quantity supplied" and a "change in supply."
8. Page 21. Define – marginal benefit:
9. What is the "law of demand?"
10. What factors can cause the demand curve to shift? List these here.

11. Page 22. Define – normal good:
12. Page 22. Define – inferior good:
13. Create a supply & demand graph that explains the statement **“The Coffee Market’s Hot; Why are Bean Prices Not?”**
14. How do you think that Magellan’s discoveries affected the market demand curve for spices?
What do you think is the main reason for any change in the market demand curve for cinnamon during the past 500 years?

Chapter 4: Why was the Great Newspaper Heist so Easy?

1. How is economics about the meaning of life?
2. Define utility
3. Give an example of a good in your life that has a lot of elasticity. Contrast this with a good that does not have a lot of elasticity for you. Explain why one is elastic and the other is not, make sure to reference the 4 boxes on page 29.
4. Discuss your opinions for the last section on Demand for Heart Surgery and Sin.

Chapter 5: How can Economics Influence Your Choice of a Spouse?

Answer 3 of the 6 discussion questions below, be sure to label the question number you are answering.