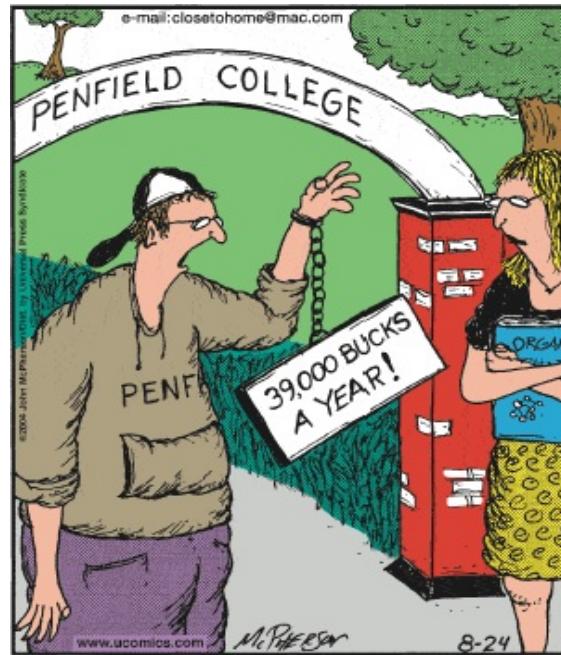


Do NOT write your name anywhere. (Canvas will tell me who turned in the assignment.) All answers must be typed, except for mathematics and graphs. Take pictures of your written answers and use your own software or <https://pdfcandy.com/> to create a single PDF size A4. (pdfcandy.com will convert many 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) (10 points) The news reporters normally try to be objective and make only positive statements (unless they are explicitly giving an opinion). However, there are decisions involved in the news broadcast which are inherently normative. Give an example and explain why it is a normative decision. Hint: I am looking for a decision which is being made when not giving an opinion.

2) (15 points) Assume the \$39,000 in the comic strip by John McPherson is the value of the opportunity costs of a year at Penfield College. If you were his father, what things would you have included in calculating the number? Note, I am asking how the father calculated the number – not the uses of the money. Therefore, do not say, “He could have bought a new car.” Explain your logic and include at least four items. (More of his comics can be found at <http://www.closetohome.com/>.)



"My dad is making me wear this until I get my GPA over 2.2."

3) (20 points) Draw a PPF for computers and bananas. Illustrate the effects of an improved computer chip. Explain why the curve moved as drawn.

4) (20 points) Draw a PPF for masks and hand sanitizer. Illustrate the effects of COVID-19. Explain why the diagram changed as drawn. (There are three good answers to this question and two wrong answers which are similar to good answers, so be careful how you argue.)

5) (20 points) Draw the supply/demand for toilet paper. Illustrate what happened in March of this year. Explain why the curve(s) moved as drawn. What happens to the price and quantity sold?

6) (15 points) What is the “law of comparative advantage”? What does it imply about putting trade restrictions on Chinese products? Explain your logic.