

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 10 points. 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) (25 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/>.)

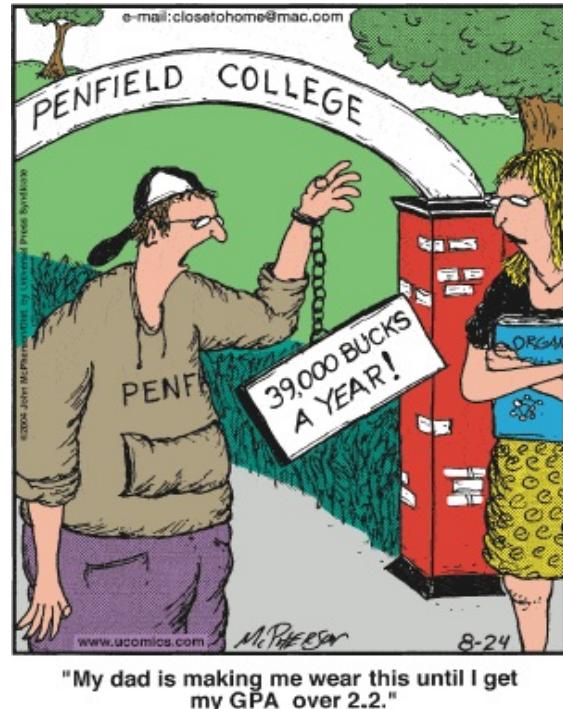
2) (15 points) Draw the PPF for corn and wheat. Illustrate the effects of an improved fertilizer. Explain why the curve moved as drawn.

3) (15 points) Draw the PPF for wool sweaters and wool hats. Illustrate the effects of a disease which kills a large number of sheep. Explain why the curve moves as drawn.

4) (15 points) Draw a PPF for hats and coats. Find a point where the opportunity costs of a coat is approximately 2 hats. Explain how you found the point.

5) (15 points) Draw a PPF for corn and shirts. Illustrate the effects of an increase in the population. Explain why the curve moved as drawn.

6) (15 points) Obama sign the Trans-Pacific Partnership (TPP). If it had gone into effect, it would have been a free trade area between 14 countries. Trump withdrew us from the TPP. As a result, only 2 of the original 14 countries ratified it. Therefore, it does not exist. Which president's policy is better for the long-term growth of the world economy and the long-term growth of our economy? Explain your logic.



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