Homework 1 – KEY

Average: 82.53 + 0pts Grading Insurance bonus
Percentages indicate % of students who picked that answer

Due on 16/1/2024, by 23:00

This assignment is optional but STRONGLY RECOMMENDED. If you do not submit the answers till the deadline, the score of your final exam will substitute for the score for this assignment. Submit only the correct letter for each task on eLearn under 'Quizzes' within 'COR2100-Economics and Society G7-8-9-10'. Note that the actual text of questions and answers is not supposed to appear on the eLearn quiz. You have unlimited attempts. The system is programmed to credit your last attempt. Be informed that if you submit an attempt and afterwards you re-open the quiz, you must submit your answers AGAIN. Otherwise, the system will grade the unfinished attempt with 0 (because it is the last one) and there is NOTHING I can do to fix this after the fact. Late homework or homework submitted outside eLearn cannot be accepted as this would violate SMU official policy for fairness and transparency in grading. This assignment is protected by Grade Insurance™: If the assignment's average turns out to be below 75, an equal amount of bonus points will be given to every work, for the average to become 75. Direct any homework questions to your TA.

1. According to the course FAQ document that can be downloaded from the course website, which of the following should a student study before attending each lecture in Economics & Society?

   A. The corresponding chapters of the main textbook.
   11% B. The slides and assigned reading material.
   C. Relevant videos on YouTube and TikTok.
   85% **D. Nothing at all. The course has been designed so that the presentation by the instructor will be the student's first contact with the material.** *[As explained in the FAQ document]*

2. According to the course FAQ, why are students recommended to take notes during the lectures?

   59% A. Overall, note-taking saves the students' time from their study at home.
   B. Note-taking keeps the brain awake and alert during the lecture.
   C. Note-taking trains the brain in abstracting and multitasking.
   39% D. All of the above. *[As explained in the FAQ document]*

3. According to the course FAQ, which of the following is true regarding homework assignments?

   100% **A. Homework is optional. The score of a student's final exam will substitute the score of missed assignments (if any).** *[As explained in the FAQ document]*
   B. Students must opt out of a homework assignment if they cannot submit it.
   C. Students have to update the instructor if they cannot submit an assignment.
   D. Homework is mandatory.

4. Why is it a bad idea to NOT submit homework assignments in this course?

   A. Homework nudges you to study the material while it is still fresh.
   B. Homework can alert you for segments of material that you do not really master.
   C. Homework lessens the total workload of the course instead of increasing it.
   D. Students who submit homework perform much better in the course in comparison to those who skip the homework.
   94% **E. All of the above.** *[As explained in class]*

5. According to the course FAQ, can you use a laptop during the lecture?

   A. You must because it is the optimal tool to keep notes.
   99% **B. You may but it will not be convenient to keep notes because of complex notation, math and graphs.** *[As explained in the FAQ document]*
   C. Laptops are not allowed during the lecture.

6. ✓ According to the course FAQ, are students allowed to ask questions during class?

    A. No, questions make them look clueless in front of their fellow students. *[On the contrary, most times there are questions common to many students and answering them benefits the entire class]*

    B. No, interrupting the professor is rude. *[It is NOT rude if you wait for the instructor to finish their phrase and then you raise your hand asking permission to talk]*

  99%C. **Yes, whenever there is something that you do not understand, feel free to ask.** *[Questions often allow me to realize where the material is not well understood]*

    D. Yes, but only after the end of the lecture. *[The best time to ask is at the moment your query is born]*

7. ✓ According to the course FAQ, which of the following may be a source of discomfort for you in E&S?

    A. Some of the class examples will be about your personal life. *[Nope]*

    B. The lecture is politically incorrect. *[Neither]*

    C. The course is hard and many students become disappointed and drop out. *[If you follow the presentation, take notes and study the relevant material, you will surely succeed in this course]*

  99%D. **The course often requires out-of-the-box thinking.** *[This course will give you a set of tools that you will have to use creatively in order to explain the economy. Sometimes your process of thinking will work but some others it will not and this may frustrate you]*

8. ✓ According to the course FAQ, in which way does the assessment in Economics differ from the assessment in other subjects?

    A. Questions in Economics are simple to understand and solve.

    B. Questions in Economics are hard to understand and solve.

    C. Questions in Economics are simple to understand but hard to solve.

  94%D. **Questions in Economics are hard to understand but simple to solve.** *[As explained in FAQ]*

9. ✓ Given the Grade Insurance that applies in this course, which of the following is true if the average in this assignment is 66?

    A. If a student scores 60, his insurance-adjusted score will be 75.

  77%B. **If a student scores 60, his insurance-adjusted score will be 69.**

    C. If a student scores 80, her insurance-adjusted score will be 80.

  14%D. All students below 75, will receive 75; all students above 75, will not have their grade adjusted. *[If the average score is below 75, GI will give to EVERY student a bonus equal to 75 minus the average. In this case every student will receive 75 – 66 = 9 pts bonus]*

10. ✓ Assume that you have submitted your attempt on e-Learn for this assignment and then, you want to double-check that you answered "D" in task 7. So, you start a 'new attempt' to check your answers and you verify that you indeed answered "D", thus, you do not need to submit your answers again. Which of the following will happen according to the instructions of this assignment?

  92%A. **You will receive 0 for the assignment because your latest attempt is empty and this cannot be changed.**

    B. You will receive the score of your original attempt for the assignment because the new empty attempt will be automatically erased. *[It will not!]*

    C. You will receive the score of your original attempt for the assignment because the instructor will manually erase your new empty attempt. *[I cannot!]*

    D. You will receive the score of your original attempt minus the points from task 7. *[If you start a 'new attempt', you must resubmit your answers, or else you will receive 0 for the whole assignment. Every term, this happens more than 20 times. Please try to avoid it by not starting an attempt unless you are planning to submit it]*

11. ✓ Which of the following best summarizes the fundamental problem of Economics?

    A. We have limited wants that need to be satisfied.

    B. We want more than we need.

    85% C. We want more than we can get.

    D. We have abundant resources that need to be allocated fairly.

    [Economics deals with the issue of scarce resources and people's unlimited wants]

12. Which of the following is/are micro variable/s?

    A. The value of imported goods in Australia.

    42% B. USA's banking sector annual profits.

    16% C. Both A and B.

    35% D. None of the above.

    [Imports is a macro variable]

13. Which of the following is a macro variable?

    A. The total number of Singaporean homeowners.

    B. Russia's defense budget.

    18% C. Brazil's debt to foreign countries.

    70% D. All of the above.

    [The number of homeowners and defense budget are micro variables, since they refer to specific sectors of the economy]

14. Which of the following is an example of the fallacy of composition?

    60% A. If Nissan decreases the price of cars, its profits will increase. Therefore, it is profitable for all car manufacturers to decrease their prices. *[If all car producers decrease their prices, nobody will be cheaper than the others and they cannot take advantage of their price drop. Thus, the total profit of the car industry will fall]*

    B. I asked GPT4 to solve HW1 and it scored 15/20. Thus, GPT4 cannot guarantee students' excellence in E&S. *[Here what happens to one individual can perfectly be assumed for all others]*

    35% C. Both A and B.

    D. None of the above.

15. ✓ Which of the following is LESS likely to be a scarce resource?

    A. Olive oil.

    B. Natural gas.

    98% C. Wind.

    D. Land.

    [Olive oil, natural gas and land are limited resources, while wind is present in abundant quantities]

16. ✓ Phillip has to choose between Bali, Santorini and Seychelles on where to spend his vacation. Bali will cost him $3K, Santorini $5K and Seychelles $7K, while he prefers Santorini over Seychelles and Seychelles over Bali. What is his opportunity cost of going to Santorini?

    A. The pleasure he forgoes from not visiting Bali.

    75% B. The pleasure he forgoes from not visiting Seychelles.

    21% C. $2K, which is the additional cost of choosing Santorini over Bali.

    D. $5K, which is the cost of visiting Santorini.

    [Opportunity cost is the benefit you forgo when you choose something over the next best alternative choice]

17.✓ Why do we use the ceteris-paribus principle in economic analysis?

    95%A. **It helps us understand the relationship between two variables without the interference of other unwanted variables.**

    B. In economics it is rare for more than one factor to influence another one. *[On the contrary, economic systems are often very complex and many variables are interdependent]*

    C. Both A and B.

    D. None of the above.

18.✓ Which of the following must hold in order to consider the representative agent of an economy?

    A. Only 2 types of actors must exist in the economy.

    B. All actors must be identical.

    92%C. **Differences between individual actors must not qualitatively affect the analysis.**

    D. The concept of representative agent can be used in all circumstances.

    [We can use the representative agent only when the analysis does not depend on how different the actors are]

Scenario 1.1: *The demand for backpacks is $p = 200 - 4q$, where q denotes the quantity of backpacks and p is the price. Accordingly, the supply of backpacks is $p = -40 + 2q$.*

19.✓ According to scenario 1.1, at which quantity of backpacks do supply and demand intersect?

    A. Around 10 backpacks.

    B. Around 20 backpacks.

    C. Around 30 backpacks.

    97%D. **Around 40 backpacks.**

    [$200 - 4q = -40 + 2q$ or $6q = 240$ or $q = 40$ backpacks]

20.✓ According to scenario 1.1, at which price do supply and demand intersect?

    A. Around $20.

    97%B. **Around $40.**

    C. Around $60.

    D. Around $80.

    [Since $q = 40$ backpacks, we make the substitution in the demand function (or the supply function) and we get $p = 200 - 4 \cdot 40$ or $p = \$40$]