

Homework 1 – KEY

Average: 81.83 + Opts GI bonus

Percentages indicate % of students who picked that answer

Due on 27/8/2024, by 23:00

The tasks in this assignment were designed for the average student to solve independently after mastering the material. The answers provided here are written in an instructional manner to help you understand the problem-solving process for each task. If you continue to struggle with a task after reviewing this key, the difficulty may stem not from the task itself, but from having missed or overlooked some parts of the required material.

- 1✓ According to the course FAQ that can be downloaded from the course website, which of the following is true regarding homework assignments?
 - A. Homework is mandatory.
 - B. Students have to inform the instructor if they cannot submit an assignment.
 - 99%C. **Homework is optional. Students' final exam score will automatically replace the score of every missed assignment.**
 - D. Students must opt out of a homework assignment if they cannot submit it.

- 2✓ According to the course FAQ, why it is beneficial to submit homework in this course?
 - A. Students who submit homework perform much better in the course in comparison to those who skip the homework.
 - B. Homework nudges you to study the material while it is still fresh.
 - C. Homework plays a key role in your preparation for the course.
 - 93%D. **All of the above.**

- 3✓ According to the course FAQ, can you use a laptop during the lecture?
 - 98%A. **You may use but it will be cumbersome in notetaking because of complex notation and graphs.**
 - B. You must because it is the optimal tool to keep notes.
 - C. Laptops are not allowed during the lecture.

- 4✓ According to the course FAQ, are students allowed to ask questions during class?
 - A. Yes, but only after the end of the lecture.
 - 100%B. **Yes, whenever there is something that you do not understand, raise your hand and ask.**
 - C. No, interrupting the professor is rude.
 - D. No, questions make them look clueless in front of their fellow students.

- 5✓ According to the course FAQ, which of the following you may NOT like in this course?
 - A. The course is difficult, and many students become disappointed and drop out.
 - 100%B. **The course often requires out-of-the-box thinking.**
 - C. Some of the class examples will be about your personal life. *[Nope!]*
 - D. The lecture is politically incorrect. *[Neither!]*

- 6Ⓞ 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 easy to understand and solve.
 - 31%B. Questions in Economics are difficult to understand and solve.
 - 63%C. **Questions in Economics are difficult to understand but easy to solve.**
 - D. Questions in Economics are easy to understand but difficult to solve.

7. Given the Grade Insurance that applies in this course, which of the following is true if the average in this assignment is 66?
- 73%A. **If a student scores 60, his insurance-adjusted score will be 69.**
- 10%B. If a student scores 60, his insurance-adjusted score will be 75.
- C. If a student scores 80, her insurance-adjusted score will be 80.
- 16%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, every student will receive a Grade Insurance bonus equal to 75 minus the average. In this case, every student will receive $75 - 66 = 9$ pts bonus]
8. What will happen if you submit a homework assignment on eLearn and then you reopen it to double-check one of your answers without resubmitting a new attempt?
- 27%A. You will receive the score of your original attempt because the new empty attempt will be automatically erased.
- B. You will receive the score of your original attempt because the instructor will manually erase your new empty attempt.
- 72%C. **You will receive 0 because your latest attempt is empty and this cannot be changed.**
[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]
9. According to the course FAQ, where can I find the slides for the video tutorials and the video lectures?
- 23%A. They are posted on the website.
- B. They are posted on Telegram.
- 65%C. **They are available for download down at the YouTube description of each video.**
- 12%D. All of the above.
10. According to the course FAQ, suppose that a student fails to understand the right answer for a homework task even when she reads it from the answer key. Which of the following is most likely the reason for this?
- A. The question is not well written.
- B. The answer key is not well written.
- C. She did not read the question carefully.
- D. She did not read the answer carefully.
- 97%E. **She has failed to grasp or she has completely missed the part of the material that this task examines.**
11. Which of the following is/are micro variable/s?
- A. Vietnam's quarterly employment rate.
- 81%B. **The total production of electric cars in China.**
- C. The overall price level in Australia.
- D. All of the above.
[Employment rate and average level of prices are macro variables]
12. Which of the following is/are macro variable/s?
- A. The average salary for a PhD student in Singapore.
- 24%B. The value of semiconductors exported by Taiwan.
- 13%C. Both A and B.
- 58%D. **None of the above.**
[Both the national average salary for a PhD student and the value of exported semiconductors are micro variables]

13. ✓ Which of the following is most likely to be a scarce resource?

- 16% A. Water. *[Relatively abundant]*
- B. Oxygen. *[Relatively abundant]*
- 84% C. **Platinum.**
- D. Planets in a solar system. *[Not a resource]*

14. ✓ Which of the following concepts is related to the existence of scarce resources in the economy?

- A. Ceteris paribus.
 - 91% B. **Opportunity cost.**
 - C. Economic cost.
 - D. Marginal cost.
 - E. Marginal utility.
- [Since resources are limited, we are forced to make choices. Every choice involves an opportunity cost]*

15. ✓ Why do we analyze Economics both in macro and in micro level?

- A. Because of the post hoc ergo propter hoc fallacy.
 - B. Because in an economy there are no economic actors that are alike.
 - C. Because mostly accountants analyze the economy in macro level, while economists analyze the economy in the micro level.
 - 94% D. **Because of the fallacy of composition.**
- [We separate microeconomics from macroeconomics to avoid the fallacy of believing that what is true for a part is also true for the whole]*

w	0	\$20K	\$40K	\$60K	\$80K	\$100K	\$120K	\$140K
U	0	300	500	650	750	825	875	900

Table 1.1: Monthly wage (w) of an employee vs. his total utility (U) from consumption.

16. ✓ According to table 1.1, what is the marginal utility of the employee when w increases from \$60K to \$80K?

- 13% A. Around 0.2.
 - B. Around 20.
 - C. Around 60.
 - D. Around 80.
 - 80% E. **Around 100.**
- [The marginal utility of the increase in w is the additional utility $750 - 650 = 100$]*

17. ✓ According to table 1.1, which level of w maximizes the employee's average utility per dollar?

- 80% A. **At around \$20K.**
 - B. At around \$60K.
 - C. At around \$100K.
 - 10% D. At around \$140K.
- [The average utility AU per dollar is the ratio of U divided by w , so:*

w	0	\$20K	\$40K	\$60K	\$80K	\$100K	\$120K	\$140K
AU	-	15	12.5	10.83	9.38	8.25	7.29	6.43

Scenario 1.1: The demand for travel mugs is $p = 140 - 5q$, where q denotes the quantity of travel mugs and p the price per travel mug. Accordingly, the supply of travel mugs is $p = -20 + 3q$.

18. ✓ According to scenario 1.1, at which quantity of travel mugs do supply and demand intersect?

- A. Around 10 travel mugs.
- 98% B. **Around 20 travel mugs.**
- C. Around 30 travel mugs.
- D. Around 40 travel mugs.

$[140 - 5q = -20 + 3q \text{ or } 8q = 160 \text{ or } q = 20 \text{ travel mugs}]$

19. ✓ 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 $q = 20$ travel mugs, we make the substitution in either the demand function or the supply function and we get $p = \$40$]

20. * Which of the following is correct for the hours students spend on studying for their exams and their exam scores?

- A. The two are independent.
- 83% B. **There is correlation between them.**
- 15% C. **There is causation between them.**
- D. None of the above.

[The hours of study should cause better exam results. The two are not related indirectly through some other variable]