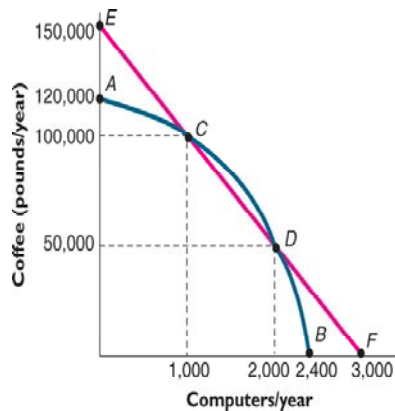


Econ 101 Class 15 Questions

1. Scott Adams loves to draw and has created a well liked cartoon series called Dilbert. When he first started out, Scott earned \$3,000 per month drawing Dilbert for subscribing newspapers. Dilbert became popular and now Scott earns \$10,000.00 per month drawing Dilbert. Is Scott Adams receiving economic rent or profit?
 - A. Economic Profit because his current wage is greater than his opportunity cost.
 - B. Economic Profit because there is great competition in the cartoon industry.
 - C. Economic Rent because he is in business for himself.
 - D. Economic Rent because no other cartoonist is permitted to draw Dilbert. **
2. Consider the diagram below. Should Costa Rica produce at point D?

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Figure 9.2

Buying and Selling in World Markets

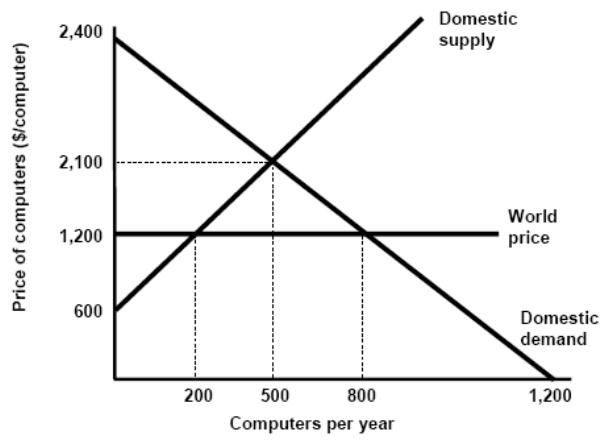


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- A. Yes, because it benefits from trade at D.
- B. Yes, because it can consume more if it does.
- C. No, because it will do better by raising computer production.
- D. No, because it will do better by lowering computer production. **

3. Consider the economy pictured below. Opening the economy to trade raises ...



- A. Consumer surplus by \$75,000.
- B. Consumer surplus by \$405,000. **
- C. Producer Surplus by \$60,000.
- D. Imports by 300 units.