Unit 04: Equitable Division of Resources and Consumption

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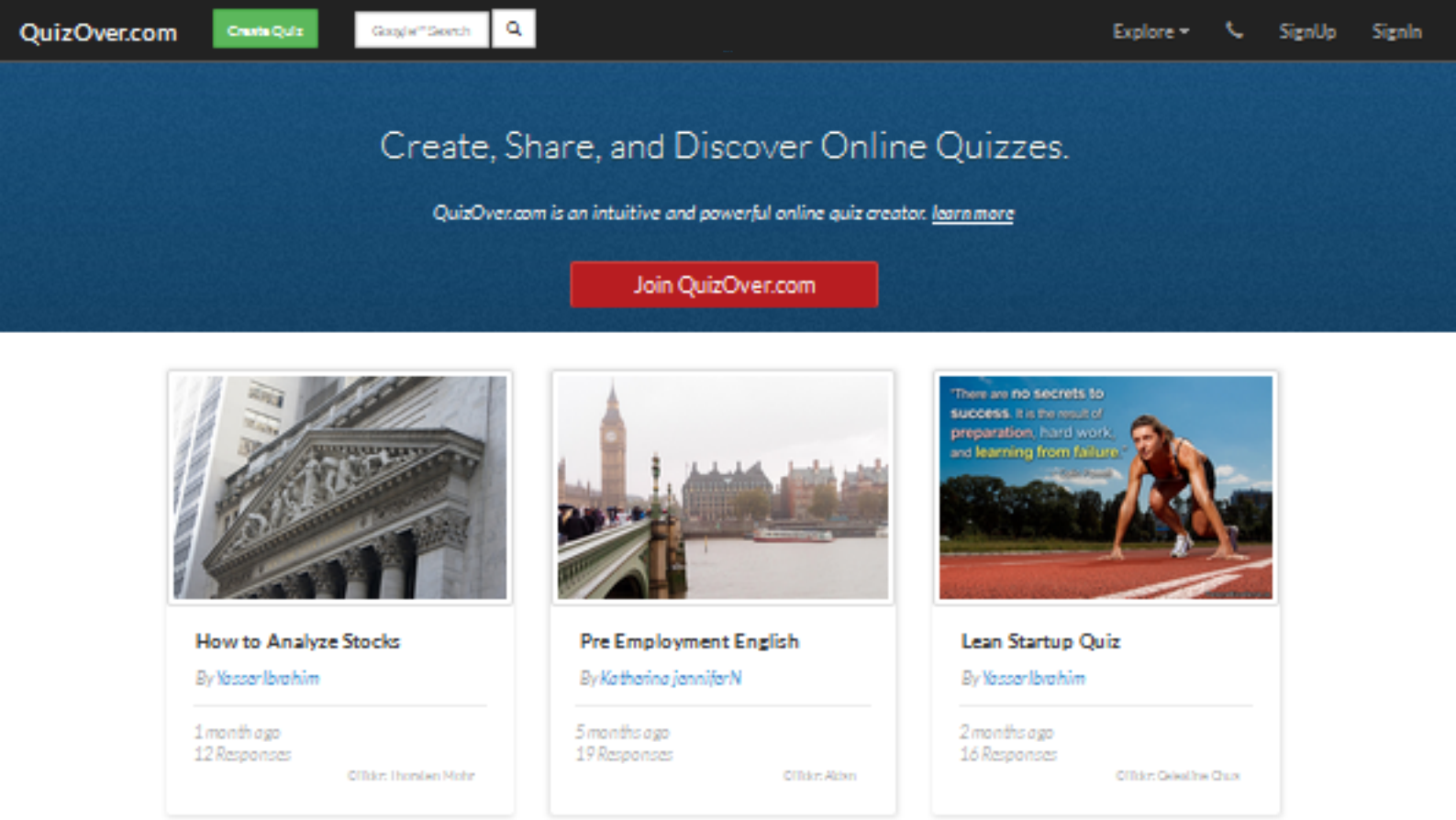

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4. Chapter: Unit 04: Equitable Division of Resources and Consumption

1. Unit 04: Equitable Division of Resources and Consumption Questions

4.1.1. Suppose Frank can either hunt for birds (b) or forage for wild berr...

Author: Tony Pizur

Suppose Frank can either hunt for birds (b) or forage for wild berries (w) on his isolated island property. He can catch two birds or gather three pounds of berries in an hour. He only has 12 hours a week to devote to these activities. His utility function for birds and berries is u(w,b) = bw^(0.5). What is the slope of his production possibilities frontier?

Please choose only one answer:

- 3/2
- -3/2
- 2/3
- -2/3

Check the answer of this question online at QuizOver.com:
Question: Suppose Frank can either hunt for birds b or Tony Pizur @Regis Math

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4.1.2. Suppose you are shopping at a farmers' market at 4:59 p.m. It close...

Author: Tony Pizur

Suppose you are shopping at a farmers' market at 4:59 p.m. It closes at 5 p.m. At the end of the day, the farmer will have to discard her lettuce. The price of the lettuce is $3. You are willing to pay $1.00 for the lettuce. What is the Pareto optimal price for the lettuce?

Please choose only one answer:

- $0
- $1
- $2
- $3

4.1.3. Suppose Frank can either hunt for birds (b) or forage for wild berr...

Author: Tony Pizur

Suppose Frank can either hunt for birds (b) or forage for wild berries (w) on his isolated island property. He can catch two birds in an hour or gather three pounds of berries. He only has 12 hours a week to devote to these activities. His utility function for birds and berries is u(w,b) = bw^(0.5). Which point is not Pareto efficient?

Please choose only one answer:

- (0, 24)
- (3, 21)
- (9, 18)
- (12, 16)

4.1.4. Suppose Frank can either hunt for birds (b) or forage for wild berr...

Author: Tony Pizur

Suppose Frank can either hunt for birds (b) or forage for wild berries (w) on his isolated island property. He can catch two birds in an hour or gather three pounds of berries. He only has 12 hours a week to devote to these activities. His utility function for birds and berries is u(w,b) = bw^(0.5). What is the marginal rate of transformation of birds for berries?

Please choose only one answer:

- 3/2
- -3/2
- 2/3
- -2/3

4.1.5. Suppose Frank can either hunt for birds (b) or forage for wild berr...

Author: Tony Pizur

Suppose Frank can either hunt for birds (b) or forage for wild berries (w) on his isolated island property. He can catch two birds in an hour or gather three pounds of berries. He only has 12 hours a week to devote to these activities. His utility function for birds and berries is u(w,b) = bw^(0.5). What is the marginal rate of substitution of birds for berries?

Please choose only one answer:

- b/(2w)
- -b/(2w)
- (2b)/w
- 2bw

4.1.6. Suppose Frank can either hunt for birds (b) or forage for wild berr...

Author: Tony Pizur

Suppose Frank can either hunt for birds (b) or forage for wild berries (w) on his isolated island property. He can catch two birds in an hour or gather three pounds of berries. He only has 12 hours a week to devote to these activities. His utility function for birds and berries is u(w,b) = bw^(0.5). What is the expression for b when the marginal rate of substitution of birds for berries is equal to the marginal rate of transformation of birds for berries?

Please choose only one answer:

- (3/4)w
- -(3/4)w
- (4/3)w
- -(4/3)w

4.1.7. Suppose Frank can either hunt for birds (b) or forage for wild berr...

Author: Tony Pizur

Suppose Frank can either hunt for birds (b) or forage for wild berries (w) on his isolated island property. He can catch two birds in an hour or gather three pounds of berries. He only has 12 hours a week to devote to these activities. His utility function for birds and berries is u(w,b) = bw^(0.5). Using the information from the production possibilities frontier, what is the Pareto optimal allocation for berries?

Please choose only one answer:

- 24
- 22
- 18
- 12

4.1.8. Suppose Frank can either hunt for birds (b) or forage for wild berr...

Author: Tony Pizur

Suppose Frank can either hunt for birds (b) or forage for wild berries (w) on his isolated island property. He can catch two birds in an hour or gather three pounds of berries. He only has 12 hours a week to devote to these activities. His utility function for birds and berries is u(w,b) = bw^(0.5). Using the information from the production possibilities frontier, what is the Pareto optimal allocation for birds?

Please choose only one answer:

- 18
- 16
- 14
- 12

4.1.9. Suppose the government in a closed country imposes a lump sum tax o...

Author: Tony Pizur

Suppose the government in a closed country imposes a lump sum tax of $1,000 on some people (sp) and redistributes the income to other people (op) in society. After the tax is levied and distributed, what is the deadweight loss to society?

Please choose only one answer:

- $0
- +$1,000*sp
- -$1,000*op
- e answer cannot be determined by the information given.

4.1.10. Suppose the government in a closed country imposes a tax of 25 perc...

Author: Tony Pizur

Suppose the government in a closed country imposes a tax of 25 percent on working people's wages (w) and redistributes the tax to nonworking people (n) in society as a lump sum distribution. This causes working people to reduce labor by 20 percent. After the tax is levied and distributed, what is the deadweight loss to society relative to a lump sum tax system?

Please choose only one answer:

- $0
- 0.25w
- 0.20w
- 0.05w