

NAME: _____

FIND THE SOLUTION



1. If the distribution of income were completely equalized, would everyone purchase the same quality of automobile?

Against whom do automobile prices discriminate¹?

2. Blaming the price of Corvettes for their scarcity in the Klein Oak parking lot is like blaming the heat on the thermometer.² Why?



3. "The current volunteer military discriminates against blacks and poor people because they tend to dominate the ranks of those dying for their country." Why do blacks and poor people dominate the ranks of those dying for their country?



4. "We must institute the draft. By relying on volunteers the armed forces has become filled with people of such low intelligence and low skills that they cannot operate sophisticated weapons." Is the volunteer military responsible for low levels of skill? Explain.

5. Are dragons that eat people scarce today? Explain.

6. Suppose your friends want you to skip school and join them at the beach. As a diligent student, you decline. After sitting through dull economics lectures for two hours you realize you've made a mistake. Your friends left at 7:30; it's now 9:45; you have no car; and you're at school. What is the opportunity cost of remaining at school?



¹ dis-crim-i-nate (dî-skrîm'e-nât´) verb - To make a clear distinction; distinguish: discriminate among the options available. b. To make sensible decisions; judge wisely.

² Consider, please, what the function of a thermometer is. Then ponder the analogy.