

1. GATT stands for _____.
2. Name country the text identifies as repressed. _____
3. CSU Stanislaus is _____ years old.

Answer four (4) of the following six (6) questions:

1. What are the characteristics of a proprietorship vs. a corporation? What are the advantages and disadvantages of each?
2. What do economists usually consider the definition of unemployment? Who is included/excluded? What are the three terms usually applied to the unemployed? What are the characteristics of each? What does this imply for policy?
3. What is the production possibilities curve and what assumption and concepts can it be used to illustrate? Use a graphical illustration in your answer. How may international trade be affected by what the production possibilities curve shows?
4. What is meant by externalities? When are they positive? When are they negative? How does this mean there is a market failure? How can these failures of the market (externalities) be corrected? How or why might the process be difficult?
5. What are the basic characteristics of the market system? What are the basic questions answered by the market system? What are the pros and cons about this method of decision-making?
6. Refer to the table below. Suppose that the government establishes a price ceiling of \$3.70 for wheat. What might promote the government to establish this price ceiling? Explain carefully the main effects. Next, suppose that the government establishes a price floor of \$4.60 for wheat. What will be the main effects of this price floor? Include a graphical representation in your answer.

Thousands of Bushels Demanded	Price per Bushel	Thousands of Bushels Supplied
85	\$3.40	72
80	3.70	73
75	4.00	75
70	4.30	77
65	4.60	79
60	4.90	81