

1. The state animal for California is _____.
2. The current sales tax for Stanislaus County is _____.
3. Alcoa produces _____.

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

1. What is an oligopoly? How can a kinked demand curve be used to explain this concept? Graphically illustrate your answer. How can this be used to explain price stability with an oligopoly?
2. What are the characteristics of a public good? Why is it likely to be underproduced? How might this underproduction be corrected?
3. What is a minimum wage law? What are its goals? What are its potential effects? Is this an effective policy?
4. Who ultimately pays a tax is not always clear. Explain. Also illustrate what is meant by the incidence of a tax.
5. Monopolists are not normally perfect monopolists. How would one determine the degree of monopolizing by a producer? What is a natural monopoly? What makes them desirable? What policy choices might be applied to natural monopolies?
6. At the bottom of the page, complete the labor demand table for a firm that is hiring labor competitively and selling its product in a competitive market. How many workers will the firm hire if the market wage rate is \$27.95? \$19.95? Explain why the firm will not hire a larger or smaller number of units of labor at each of these wage rates. What factors affect the elasticity of resource demand?

Units of Labor	Total Product	Marginal Product	Product Price	Total Revenue	Marginal Revenue Product
0	0	_____	\$2	\$ _____	\$ _____
1	17	_____	2	_____	_____
2	31	_____	2	_____	_____
3	43	_____	2	_____	_____
4	53	_____	2	_____	_____
5	60	_____	2	_____	_____
6	65	_____	2	_____	_____