Problem Sets for those with the Second Edition of Mankiw

Problem set #2

Chapter 3:
1. Consider the farmer and the rancher from our example in this chapter. Explain why the farmer’s opportunity cost of producing 1 ounce of meat is 4 ounces of potatoes. Explain why the rancher’s opportunity cost of producing 1 ounce of meat is 2 ounces of potatoes.
3. the same as in the second edition of the book.
4. the same as in the second edition of the book.
5. the same as in the second edition of the book.
8. the same as problem 9 in the second edition of the book.
9. the same as problem 10 in the second edition of the book.

Problem set #3

Chapter 4:
1. the same as in the second edition of the book.
3. Consider the market for minivans. For each of the events listed here, identify which of the determinants of demand or supply are affected. Also indicate whether demand or supply is increased or decreased. Then show the effect on the price and quantity of minivans.
a. People decide to have more children.
b. A strike by steelworkers raises steel prices.
c. Engineers develop new automated machinery for the production of minivans.
d. The price of sports utility vehicles rises.
e. A stock-market crash lowers people’s wealth.
5. the same as in the second edition of the book.
7. the same as in the second edition of the book.
9. the same as in the second edition of the book.
11. the same as in the second edition of the book.
13. Market research has revealed the following information about the market for chocolate bars: The demand schedule can be represented by the equation \(Q^D = 1,600 - 300P\), where \(Q^D\) is the quantity demanded and \(P\) is the price. The supply schedule can be represented by the equation \(Q^S = 1,400 + 700P\), where \(Q^S\) is the quantity supplied. Calculate the equilibrium price and quantity in the market for chocolate bars.

Problem set #4

Chapter 5:
2. the same as in the second edition of the book.
3. the same as in the second edition of the book.
5. the same as in the second edition of the book.
8. the same as in the second edition of the book.
10. the same as in the second edition of the book.
13. the same as in the second edition of the book.

Problem set #5

Chapter 6:
3. the same as in the second edition of the book.
4. the same as in the second edition of the book.
6. the same as in the second edition of the book.
8. the same as in the second edition of the book.

Problem set #6

Chapter 7:
1. the same as in the second edition of the book.
2. the same as in the second edition of the book.
6. the same as in the second edition of the book.
7. change the name Sally Jessy for Ricki, the rest is the same as in the second edition of the book.
8. the same as in the second edition of the book.

Problem set #7

Chapter 21:
1a. the same as in the second edition of the book.
3. the same as in the second edition of the book.
4. change the year 2001 for 2003 and year 2002 for 2004, the rest is the same as in the second edition of the book.

Problem set #8

Chapter 13:
1. the same as in the second edition of the book.
2. the same as in the second edition of the book.
5. the same as in the second edition of the book.
7. the same as in the second edition of the book.
9. the same as in the second edition of the book.
10. the same as in the second edition of the book.
11. the same as in the second edition of the book.

Problem set #9

Chapter 14:
2. the same as in the second edition of the book.
3. the same as in the second edition of the book.
4. the same as in the second edition of the book.
5. the same as in the second edition of the book.
10. the same as in the second edition of the book.
11. the same as in the second edition of the book.
12. the same as in the second edition of the book.
13. the same as in the second edition of the book.

Problem set #10

Chapter 15:
1. the same as in the second edition of the book.
5. the same as in the second edition of the book.
6. the same as in the second edition of the book.
12. the same as in the second edition of the book.
13. the same as in the second edition of the book.
15. Napster, the on-line file-swapping service, allowed people to use the Internet to download copies of their favorite songs from other people’s computers without cost. In what sense did Napster enhance economic efficiency in the short run? In what
sense might Napster have reduced economic efficiency in the long run? Why do you think the courts eventually shut Napster down? Do you think this was the right policy?

**Problem set #11**

Chapter 16:

2. the same as in the second edition of the book.

5. the same as in the second edition of the book.

6. the same as in the second edition of the book.

8. the same as in the second edition of the book.

10. the same as in the second edition of the book.

Chapter 17:

1. the same as in the second edition of the book.

4. the same as in the second edition of the book.

6. The chapter says that monopolistically competitive firms may send Christmas cards to their customers. What do they accomplish by this? Explain in words and with a diagram.

**Problem set #12**

Chapter 18:

1. the same as in the second edition of the book.

4. the same as in the second edition of the book.

5. the same as in the second edition of the book.

6. the same as in the second edition of the book.

8. the same as in the second edition of the book.