

**Econ 231 – Macroeconomics - Homework N1**  
**7 points total.**

**PRINT YOUR NAME** \_\_\_\_\_

**N1 (1 point).** During a war, a government will often draft people, most of whom are presently civilian employed, into the army. What would be the real cost to the society of those people going to the war? Circle your answer.

- a. the value of the civilian goods no longer produced by the new soldiers
- b. the cost of feeding and clothing the new soldiers
- c. the cost of ammunition (weapons) for the new soldiers
- d. the dollar cost of the soldier payroll
- e. all of the above

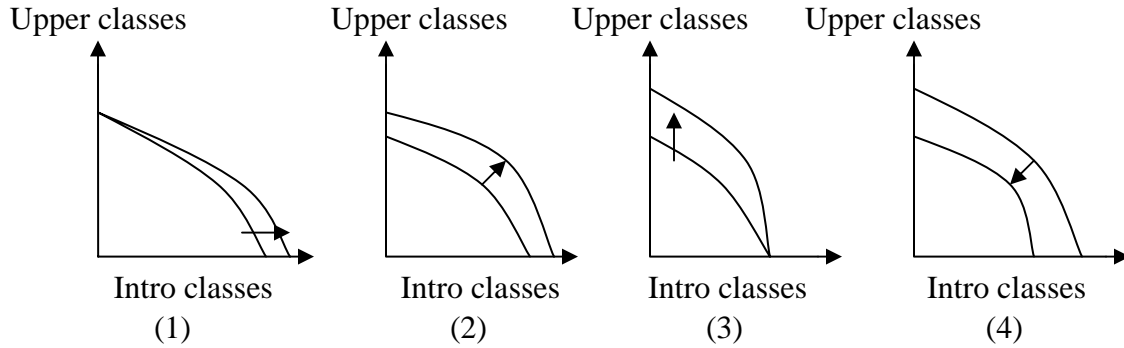
**Table 1.**

<u>Combination</u>	<u>Cotton</u>	<u>Corn</u>
A	12	16
B	17	15
C	21	13
D	23	9
E	24	5

**N2 (1 point).** From the data given in Table 1, **the opportunity cost** of cotton in terms of corn in moving from A to C is \_\_\_\_\_; from B to D is \_\_\_\_\_.

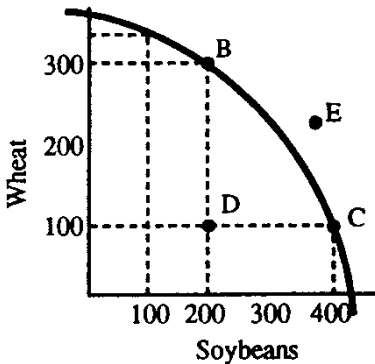
**N3 (2 points).** Dryden Press can produce 5,000 textbooks using 10 machines and 50 workers **or** using 30 machines and 25 workers. It can produce 10,000 textbooks using 10 machines and 100 workers **or** 30 machines and 75 workers. Construct a two-dimensional *production indifference map* to show the relationship between the output of textbooks and the labor and machinery inputs.

**Figure 3.**



**N4 (1 point).** At present, faculty in the Economics Department teach introductory and upper-level courses. Which graph in Figure 3 represents the change in the production possibilities of the department if graduate students are used in addition to the faculty to teach intro-level and upper-level courses, therefore increasing the number of introductory and higher level courses offered?

**Figure 5.**



**N5 (2 points).** Wheat and Soybeans are measured in bushels.

In **Figure 5** assume that this economy is currently operating at point D. What is the opportunity cost of moving to C? \_\_\_\_\_

If the economy is at point C, what is the opportunity cost of moving to B? \_\_\_\_\_