

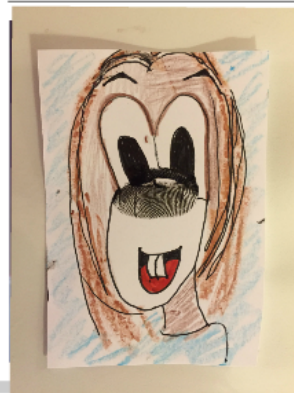
Period 3: Representing Economics

Vol XCIII, No. 311

Tuesday, July 17, 2015

\$10.07

In the Beginning...



Where did we begin ?

We came into this class not knowing one another; some of us were intimidated by the word, "economics," others thought it was going to be one "boring" class.

We came to this class with preconceived beliefs, but we vowed to always respect one another.

We learned that we were never right or wrong, but like our finger prints, we just saw things a little differently.



We Started by Setting Goals

Like allocating a scarce resource...



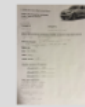
And got organized!



Simulations Were a Blast!

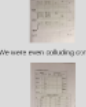
Remember when you bought the car of your dreams?

Okay, so it was all you could afford...



Or when when we sold computer chips...

We were inspired by incentives!



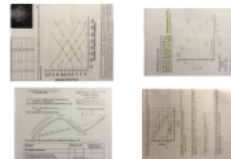
We were even building corporations.

And then the real fun started!



The Good, The Bad, and The Plotting

Not all of our work was a success or a failure... this is our work!



And how about our commercial?

Sell, Sell, Sell!



And We Will Always Remember...

That We Will Never...

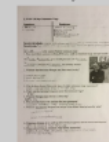
In spite of insider trading...



In spite of unemployed for long...



And we must understand living in new ways is hard!



Period 3: Representing Economics

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In the Beginning...

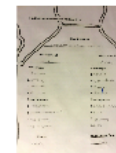


Where did we begin ?

We come into this class not knowing one

We Started by Setting Goals

Like allocating a scarce resources...



Period 3: Representing Economics

XCIH, No. 311

Tuesday, July 17, 2015

\$10.07

In the Beginning...



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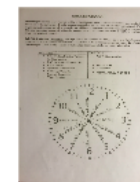
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Like allocating a scarce resources...



And got organized!



Simulations Were a Blast!

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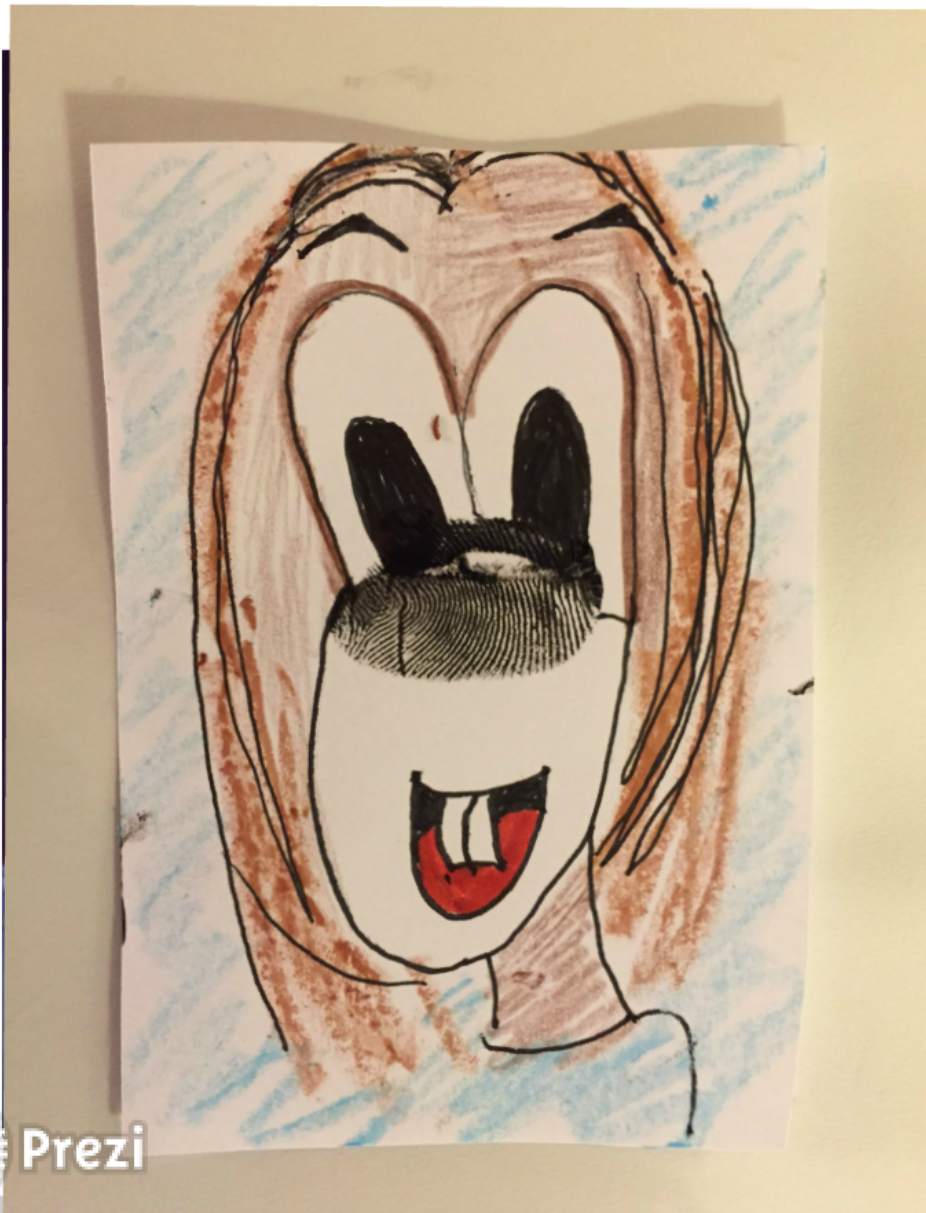
In the Beginning...

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We Started by Setting Goals

Like allocating a scarce resources...

1. WIO Economic Decision Making Grid

| Goal/Resource | |
|--|--|
| Allocate a scarce resource | |
| Alternative #1 | Alternative #2 |
| Hulk | Woody |
| Advantages: <ol style="list-style-type: none">1. Cool2. Strong3. Security4. Famous | Advantages: <ol style="list-style-type: none">1. Smart2. D.D. → Andy3. Cowboy4. Precious |
| Disadvantages: <ol style="list-style-type: none">1. Personality | Disadvantages: <ol style="list-style-type: none">1. Spoke in boat |

L WIO Economic Decision Making Grid

Goal/Resource

Allocate a scarce resource

Alternative #1

Hulk

Advantages:

1. Football
2. Strong
3. Security
4. Famous

Disadvantages:

1. Personality
2. Anger management
3. Too strong
4. He is green.

Choice

Woody

Alternative #2

Woody

Advantages:

1. Smart
2. D.D. → Andy
3. Cowboy
4. Predict.

Disadvantages:

1. Snake in boot
2. player
3. Skinny
4. frail

Opportunity Cost

Hulk

I. WIO Economic Decision Making Grid

| Goal/Resource | |
|------------------------------|-------------------------|
| Illustrate a scarce resource | |
| Alternative #1 | Alternative #2 |
| Hulk | Woody |
| Advantages: | Advantages: |
| 1. Fearless | 1. Smart |
| 2. Strong | 2. D.D. → Angry |
| 3. Security | 3. Cowboy |
| 4. Famous | 4. Predict |
| Disadvantages: | Disadvantages: |
| 1. Personality | 1. Snake in boat |
| 2. anger management | 2. player |
| 3. too strong | 3. skinny |
| 4. He is green | 4. Profit |
| Choice | Opportunity Cost |
| Woody | Hulk |

And got organized!



NOTEBOOK ORGANIZATION

Everything we do for a better future will be in the notebook, unless otherwise indicated by me. Any books provided by the teacher will be in the notebook, unless otherwise indicated by me. If you lose your notebook, do not try to go get it, you will have to wait until we have a new one for you. The notebook is the notebook and you will receive it back. It will be in your name as long as your notebook is in use.

Left Side Right Side Organization: The right side of the notebook is the INPUT side. It is used for information presented in the text or through activities. The left side of the notebook is where you access the information from the right. There will be a variety of different methods to help you access information.

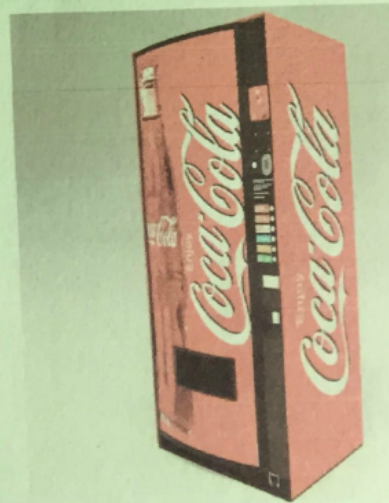
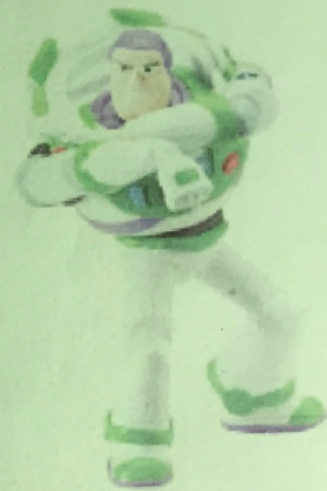
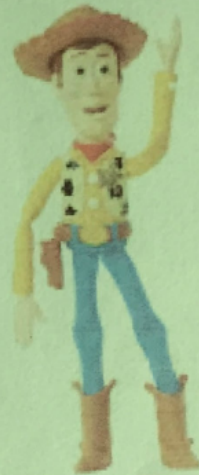
| LEFT SIDE | RIGHT SIDE |
|---|--|
| <ul style="list-style-type: none"> WIO Working 1 On or Working 1 Basic Learning Basic Critical Thinking exercises Journal notes Classroom notes material Ways Up/Ways Up Personal Observations Video Journals | <ul style="list-style-type: none"> WIO Capstone outline Lesson Notes Video Notes HOMEWORK PACKET |

Table of contents ♥️👍

| Date | Heading | Page |
|----------|------------|------|
| 9-12-13 | W I O | 1 |
| 9-16-13 | R. A. P | 3 |
| 9-17-13 | W. O. W | 2 |
| 9-17-13 | W. O. W | 4 |
| 9-19-13 | W. I. O | 5 |
| 9-19-13 | R. A. P | 7 |
| 9-19-13 | W. O. W | 6 |
| 9-25-13 | R. A. P | 9 |
| 9-26-13 | W. O. W | 8 |
| 10-1-13 | W. O. W | 10 |
| 10-1-13 | W. O. W | 12 |
| 10-8-13 | W. I. O | 11 |
| 10-8-13 | W. O. W | 14 |
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| 10-10-13 | W. O. W | 13 |
| 10-15-13 | H. A. W. E | 10 |

Unit 1:

Principles of Economics
Chapters 1, 2, 4, 5, 6

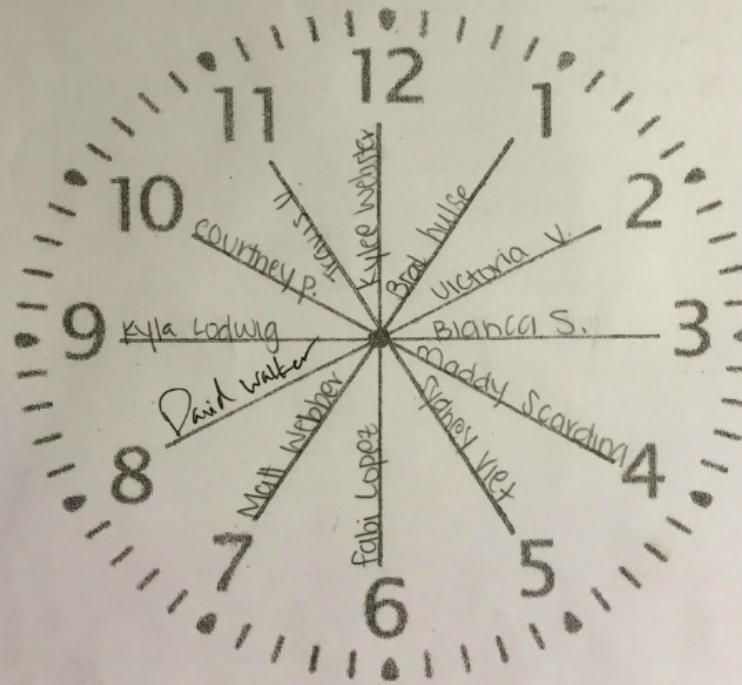


NOTEBOOK GUIDELINES

Everything we do from today forward will be in the notebook, unless otherwise indicated by me. Any handout passed out by the instructor will be in your notebook unless marked "class set" or otherwise instructed. If you forget your notebook do not ask to go get it, you will have to re-write what we have completed in your notebook. This also means that homework will not be stamped and you will receive half credit. It will be to your benefit to bring your notebook every day.

Left Side-Right Side Orientation: The right side of the notebook- the INPUT side- is used for information presented in the text, or from the instructor. The left side of the notebook is where you process the information from the right. There will be a variety of different methods used to help you process information.

| LEFT SIDE | RIGHT SIDE |
|---|---|
| <ul style="list-style-type: none">• WIO-Working It Out or Writing to facilitate learning• RAP. Critical thinking exercises• Journal entries• Questions about material• Warm-Ups/Wrap-Ups• Personal Connections• Video Questions | <ul style="list-style-type: none">• WOW-Chapter outlines• Lecture Notes• Video Notes• HOMEWORK PACKET |



And then the real fun started!

We found out that analyzing graphs was fun...

Document E: THE WEEK SPECIALIZE THIS STUDENT DEBT CRISIS

THE STUDENT DEBT CRISIS

THE U.S. STUDENT DEBT CRISIS

| Year | Student Debt |
|------|----------------|
| 2000 | \$100 billion |
| 2005 | \$200 billion |
| 2010 | \$400 billion |
| 2015 | \$800 billion |
| 2020 | \$1.5 trillion |

THE DEMAND FOR COLLEGE

| Year | College Enrollment |
|------|--------------------|
| 2000 | 18 million |
| 2005 | 20 million |
| 2010 | 22 million |
| 2015 | 24 million |
| 2020 | 26 million |

THE SUPPLY OF COLLEGE

| Year | College Graduation |
|------|--------------------|
| 2000 | 10 million |
| 2005 | 12 million |
| 2010 | 14 million |
| 2015 | 16 million |
| 2020 | 18 million |

Handwritten notes:

The student loans are tremendously increasing because of investment of the future.

Free money from the government means that more people would want to go to college. The demand from college students will grow with government aid. The supply of colleges will be enough for all the students. This will drive tuition cost up.

We researched colleges...

Online College Courses

Tuition and Cost to Attend Brigham Young University Above

Annual Total Cost

| Category | Cost |
|--------------------|----------------|
| Tuition | \$1,200 |
| Books and Supplies | \$500 |
| Room and Board | \$1,500 |
| Transportation | \$200 |
| Personal Expenses | \$300 |
| Health Insurance | \$100 |
| Student Activity | \$100 |
| Other | \$100 |
| Total | \$3,900 |

And we even dabbled in the art of DBQs!

Analysis:

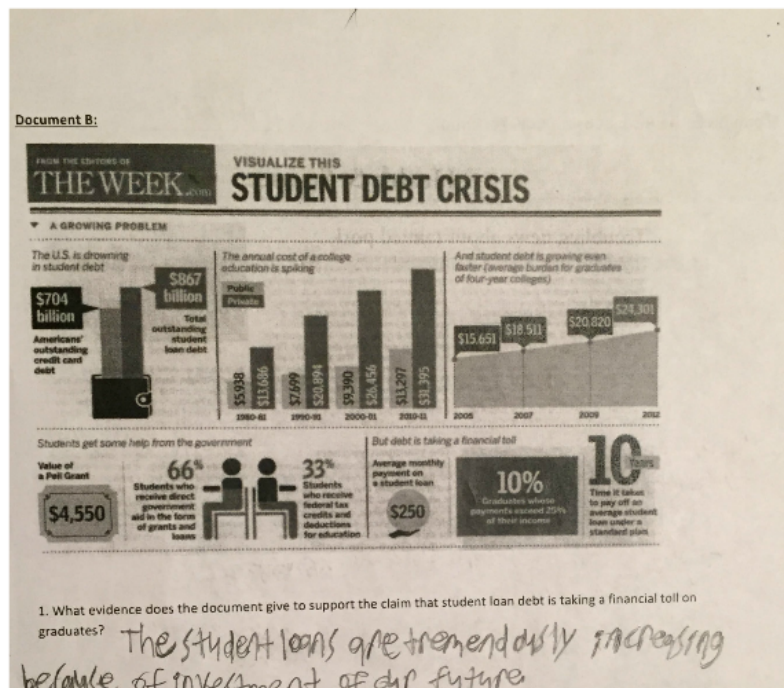
In a one-page analysis, discuss your college plans. Incorporate your research above, and at least three pieces of evidence from Documents B-E in your short essay. As you use your sources, cite them parenthetically (Doc. A, B, C, D, or E) after each reference. This is not an argumentative piece; just give me your plans for next year and include some economic realities from the documents above. Good luck!

The student debt crisis is a major issue in the United States. It is caused by the increasing demand for college education and the rising cost of tuition. The government has provided financial aid to help students pay for college, but this has led to a large amount of student debt. The demand for college is growing because of the investment in the future. The supply of colleges is not enough for all the students. This will drive tuition cost up.

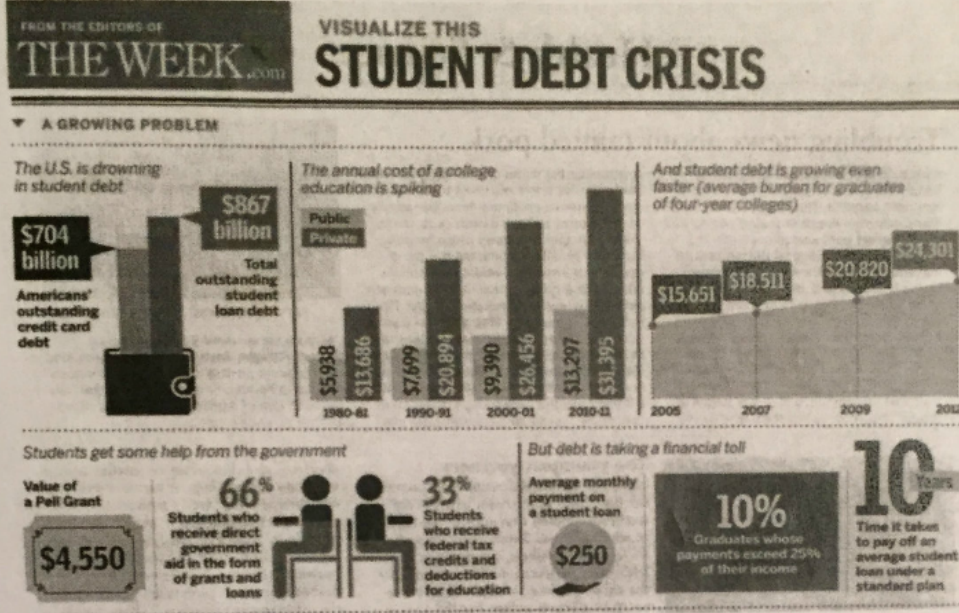


And then the rea

We found out that analyzing graphs was fun...



Document B:



1. What evidence does the document give to support the claim that student loan debt is taking a financial toll on graduates?

The student loans are tremendously increasing because of investment of our future

2. Make an economic argument that the 66% of students who receive direct government aid in the form of grants and loans is actually a bad thing for rising tuition costs. Think supply and demand here.

Free money from the government, means that more people would want to go to college. The demand from college students will grow with government aid. The supply of colleges won't be enough for all the students. This will drive tuition cost up. very astute

WILL YOU BE THERE?

We researched colleges...

Brigham Young University Provo

Utah Colleges (/colleges/utah/) / Brigham Young University Provo

Online College Courses

Short on time? Try online. Contact admissions for more details

Tuition and Cost to Attend Brigham Young University Provo

CollegeCalc Utah Affordability - 4th (/lists/utah/most-affordable-in-state-tuition/)

Annual Total Cost

The annual total list price cost to go to Brigham Young University Provo was \$13,092 for the 2013/2014 academic year. The cost is the same for all students regardless of Utah residence status as there is no in-state discount.

Undergraduate Tuition

SPONSORED

Get Admissions Info on Brigham Young University
(<http://www.campusexplorer.com/c/Young-University/>)
(It only takes a minute!)

Step 1 of 2

Choose an Area of Study
- Select One -



Online College Courses

Short on time? Try online. Contact admissions for more details

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Undergraduate Tuition

Tuition for Brigham Young University Provo is \$4,850 for the 2013/2014 academic year. This is 80% cheaper than the national average private non-profit four year college tuition of \$24,476. The cost is \$8,098 and 63% cheaper than the average Utah tuition of \$12,948 for 4 year colleges. Tuition ranks 4th in Utah (/lists/utah/most-affordable-in-state-tuition/) amongst 4 year colleges for affordability and is the 24th most expensive (/lists/utah/most-expensive-in-state-tuition/) 4 year college in the state. Price does not vary by residence.

Housing Costs

On campus room and board is provided by the school at a cost of \$7,250 per academic year. Students electing to live off campus elsewhere in Provo should budget at least this amount.

Books and Supplies

The estimated annual cost for books and supplies is \$992.

| Expenditure | Price |
|---------------------------------|-----------------|
| Utah Resident Total Cost | \$13,092 |
| In-State Tuition | \$4,850 |
| Other Fees | \$0 |
| Room and Board | \$7,250 |
| Books and Supplies | \$992 |
| Non-Resident Total Cost | \$13,092 |
| Out-of-State Tuition | \$4,850 |
| Other Fees | \$0 |
| Room and Board | \$7,250 |
| Books and Supplies | \$992 |

All price data are reprinted from the U.S. Department of Education's 2013-2014 and 2012-2013 IPEDS Survey and represent reported costs for the 2013-2014 and 2012-2013 academic years.

sponsored

Get Admissions Info

Request Brigham Young University Provo admissions and tuition information via Campus Explorer.

Yes, I'm interested No thanks

What it Really Costs

SPONSORED

Get Admissions Info on Brigham Young University
(<http://www.campusexplorer.com/c/Young-University/>)

(It only takes a minute!)

Step 1 of 2

Choose an Area of Study

- Select One -

Start Date

- Select One -

Learning Preference

- Select One -

NEXT STEP

Powered by **CAMPUS EXPLORER**
(<http://www.campusexplorer.com>)

Campus Location

Explore Brigham Young University Provo

Annual Cost

4 Year Cost

Average Price & Financial Aid

Example Loan

Loan Affordability

Future Cost Estimation

Cost Per Class / Credit

Tuition History

Cost by Major



10% Graduate who...
Time it takes to pay off an average student loan under a standard plan

Student loan debt is taking a financial toll on
endlessly increasing type

Direct government aid in the form of grants and
mand here.

It means that more
The demand from college
aid. The supply of
the students. This will

Books and Supplies

The estimated annual cost for books and supplies is \$892.

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What it Really Costs

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My college plans will have me in school for quite a few years. For my undergraduate studies, I plan to attend the California State University of Chico. I have already been accepted here and am excited to attend in the fall. Even though it's a state university, tuition and room/board costs are still very expensive. One year at Chico will cost about 20,000 dollars. My parents are paying for my undergraduate's education. They are going to have to sell their home and personal belongings in order to afford my college (Doc. B). While that may have been an over exaggeration, it still shows how it will be costly for my parents when I attend college. I plan to major in nursing and get a bachelor of sciences degree. This degree will help me to remain employed and earn a relatively high salary, increasing my weekly earnings as well (Doc. E). I want to ensure my education will pay off and provide me with a great career to ensure a life full of happiness and the time/money to travel. That is also why I plan to attend the University of San Francisco for my graduate degree. I want to become a physicians assistant or a doctor so my studies will continue to be expensive. One year at

fast decision

also consumption

like



Analysis:

In a one-page analysis, discuss your college plans. Incorporate your research above, and at least three pieces of evidence from Documents A-E in your short-essay. As you use your sources, cite them parenthetically (Doc. A, B, C, D, or E) after each reference. This is not an argumentative piece, just give me your plans for next year and include some economic realities from the documents above. Good luck!

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Great decision

Good connection

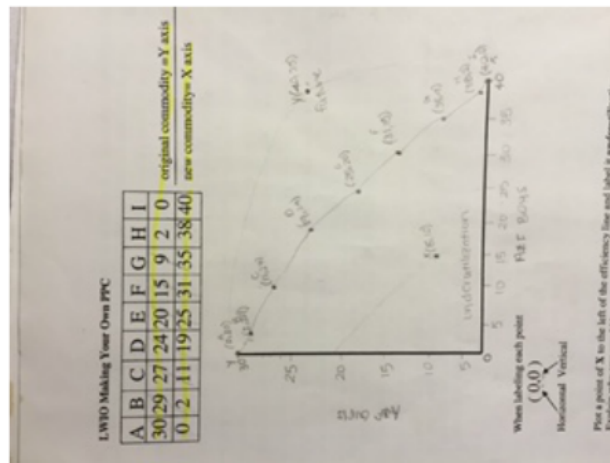
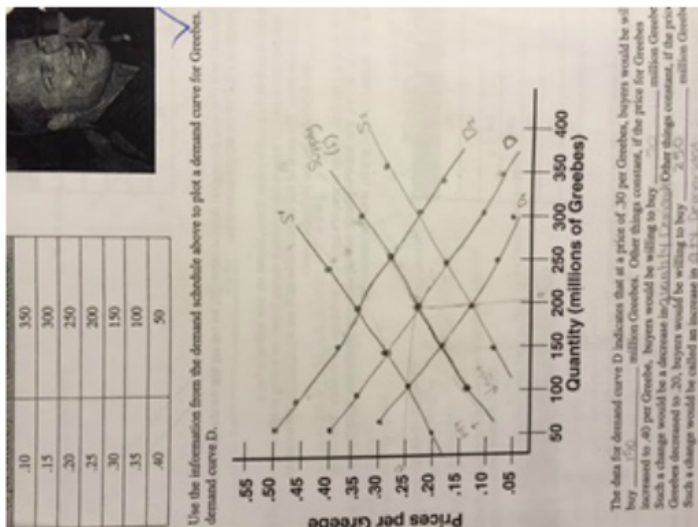
Wow!
I like the critiq research

Good reflection connection

TRUE

The Good, The Bad, and The Plotting

And of course we created a curve or two...this is econ!



1. Free markets are self-regulating
Ex. Invisible hand

2. Self-interest will determine what is produced.
Ex. Price v. profit motive

3. Government action will hurt the natural business cycle
Ex. mismanagement/artificial barriers

Label Fiscal Policy on the business cycle:
expansionary Fiscal Policy
contractionary Fiscal Policy
long-run trend of real GDP

1. Government should make up for drops in consumer spending.
Ex. Money multiplier, Budget deficits

2. Gov't should be able to control the economy in the short run
"In the long run, we are solvent."

3. Economy needs three components:
1. Consumers
2. Business
3. Government of solvent

Use upward or downward arrows to indicate the change in AD

| Situation | Change in AD | Expansionary or Contractionary? |
|--|--------------|---------------------------------|
| 1. Congress cuts taxes | ↑ | E |
| 2. Consumers spend less during the contraction of a business cycle | ↓ | C |

8. Plot the production possibilities table to make a production Possibilities Curve. Place potatoes on the vertical axis-Y and tractors on the horizontal axis-X

9. If each point on the curve represents the maximum production of each item at the point, at what point would the economy be left or under the curve represented?
"UNEMPLOYMENT"

10. Plot a point at 8 units of tractors and 40 units of potatoes. Label "X." Can this economy produce the quantities represented by "X"? Why or why not? What is this point called or referred to?
"UNEMPLOYMENT"

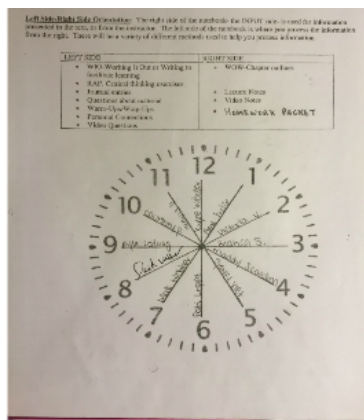
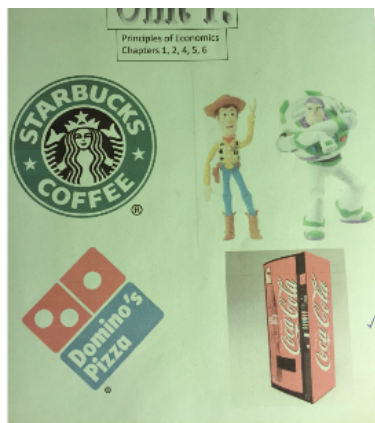
11. What point does the economy do to produce at point "X"?
"UNEMPLOYMENT"

12. Plot a point at 3 units of tractors and 13 units of potatoes. What would economists call production represented by point "Y"? Why or why not? Give specific reasons to the few resources being produced as to why this might happen.
"UNEMPLOYMENT"

And how about our commercial?

Sell, Sell, Sell!





| Date | Topic | Page | |
|----------|-------------|----------------------------|----|
| 9-11-13 | W. B. W. | Principles of Economics | 2 |
| 9-13-13 | W. B. W. | Production Possibilities | 4 |
| 9-19-13 | W. B. W. | Minimum Price (Floor) | 5 |
| 9-19-13 | D. A. D. | Days for work | 7 |
| 9-19-13 | W. B. W. | Scarcity, Opportunity Cost | 6 |
| 9-25-13 | E. A. D. | "Mr. Pickle" | 9 |
| 9-26-13 | W. B. W. | Demand | 8 |
| 10-1-13 | W. B. W. | Demand Supply Graphs Part | 10 |
| 10-1-13 | W. B. W. | Elasticity of Demand | 12 |
| 10-8-13 | W. B. W. | "In the Chips" | 11 |
| 10-8-13 | W. B. W. | Increasing Supply & Demand | 14 |
| 10-10-13 | E. B. D. | Demand Price AN | 13 |
| 10-10-13 | E. B. W. | Training @ the Margin | 14 |
| 10-10-13 | W. B. W. | Elasticities | 12 |
| 10-16-13 | H. M. W. K. | YORKVILLE PROJECT | 10 |

Simulations Were a Blast!

Remember when you bought the car of your dreams?

Okay, so it was all you could afford...

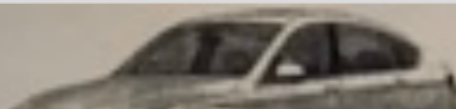
Or when when we sold computer chips...

We were inspired by incentives!

| BUYER SELLER (Chips Deal) | | | | | |
|---------------------------|---------------|-------------------|------|------|--------|
| Transaction | Price on Card | Transaction Price | Gain | Loss | Profit |
| | \$4.40 | \$4.50 | .10 | | .10 |
| | \$4.50 | \$4.40 | | .10 | .10 |
| | \$4.10 | \$4.00 | .10 | | .10 |
| | | | | | |
| | | | | | |
| Total For Round 1 | | | | | \$1.10 |
| | \$4.10 | \$4.00 | .10 | | .10 |
| | \$4.10 | \$4.30 | .20 | .10 | .10 |

Remember when you bought the car
of your dreams?

Okay, so it was all you could afford...



I. WIO The Cost of Borrowing Money

What is the formula for calculating simple "add-on" interest?

$$I = P \times R \times T$$

$$I = 1,000 \times .08 \times 3$$

Example #1

$$Simple\ Interest = 1,000 \times .08 \times 3 = 2,400$$

$$Total = 1,000 + 2,400 = 3,400$$

$$Total = 3,400$$

What is the formula for calculating a monthly car payment using simple interest?

$$MP = \frac{P+I}{n}$$

$$MP = \frac{40,000 + 12,000}{48}$$

$$MP = \frac{52,000}{48} = 1,083.33$$

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Example #2

$$2,000 \times .08 \times 3 = 480$$

$$Total = 2,000 + 480 = 2,480$$

$$Total = 2,480$$

$$MP = \frac{2,480}{48} = 51.67$$

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Mustang Example

$$MP = \frac{40,000 + 12,000}{48} = 1,083.33$$

Find a car:

Price 6,500

Make Jeep

Model (brand) CJ5

Monthly payment at 9% interest

48 month (4yr) 184

60 month (5yr) 157

80 month (7yr) 152

Show your work below:

$$6,500 \times .09 \times 4 = 2,340$$

$$6,500 \times .09 \times 5 = 2,925$$

$$6,500 \times .09 \times 7 = 4,095$$

$$\frac{6,500 + 2,340}{48} = 184$$

$$\frac{6,500 + 2,925}{60} = 157$$

$$\frac{6,500 + 4,095}{80} = 152$$



bought the car
could afford...



people interest?

Or when when we sold computer chips...

We were inspired by incentives!

STUDENT SCORE SHEET
"In the Chips"

| Transaction | | BUYER | | SELLER (Circle One) | |
|-------------------|---------------|-------------------|------|---------------------|--------|
| Transaction | Price on Card | Transaction Price | Gain | Loss | Profit |
| 1 | \$4.00 | \$4.50 | .50 | | .50 |
| 2 | \$4.50 | \$4.40 | | .10 | .10 |
| 3 | \$4.10 | \$4.00 | .10 | | .50 |
| 4 | | | | | |
| 5 | | | | | |
| Total For Round 1 | | | | | \$1.10 |
| 1 | \$4.70 | \$4.50 | | .20 | |
| 2 | \$4.10 | \$4.30 | .20 | .10 | .10 |
| 3 | | | | | |
| 4 | | | | | |
| 5 | | | | | |
| Total For Round 2 | | | | | .10 |
| 1 | \$5.10 | \$4.20 | .90 | | .40 |
| 2 | \$4.90 | \$4.40 | .50 | | |
| 3 | \$4.20 | \$4.20 | | .00 | |
| 4 | \$5.00 | \$4.00 | | .00 | .00 |
| 5 | | | | | |
| Total For Round 3 | | | | | .40 |
| 1 | \$5.10 | \$4.10 | .20 | | |
| 2 | \$4.10 | \$4.10 | | .00 | |
| 3 | | | | | |
| 4 | | | | | |
| 5 | | | | | |
| Total For Round 4 | | | | | .20 |
| Grand Total | | | | | \$1.80 |

We were even colluding corporations.

1. WHO Oligopoly Simulation

| Industry | | Individual Firms | | Profit | |
|----------|-------------|------------------|----------|---------------|------------|
| Firm | Total Sales | Price | Quantity | Total Revenue | Total Cost |
| H, H, H | 30 | \$1.33 | 30 | \$39.90 | \$37.50 |
| H, H, L | 30 | \$1.33 | 30 | \$39.90 | \$37.50 |
| H, L, L | 30 | \$1.33 | 30 | \$39.90 | \$37.50 |
| L, L, L | 30 | \$1.33 | 30 | \$39.90 | \$37.50 |

Profit or Loss Statement

| No. | Industry | Price | Quantity | Revenue | Cost | Profit | |
|-------------|----------|--------|----------|---------|----------|----------|--------|
| 1 | H, H, H | \$1.33 | 30 | \$39.90 | \$37.50 | \$2.40 | |
| 2 | H, H, L | \$1.33 | 30 | \$39.90 | \$37.50 | \$2.40 | |
| 3 | H, L, L | \$1.33 | 30 | \$39.90 | \$37.50 | \$2.40 | |
| 4 | L, L, L | \$1.33 | 30 | \$39.90 | \$37.50 | \$2.40 | |
| Grand Total | | | | | \$159.60 | \$150.00 | \$9.60 |



STUDENT SCORE SHEET
"In the Chips"

Mallorie Martin

BUYER SELLER (Circle One)

| Transaction | Price on Card | Transaction Price | Gain | Loss | Profit |
|-------------------|---------------|-------------------|------|------|--------|
| 1 | \$4.90 | \$4.50 | .40 | | .40 |
| 2 | \$4.50 | \$4.40 | .10 | | .10 |
| 3 | \$5.10 | \$4.50 | .60 | | .60 |
| 4 | | | | | |
| 5 | | | | | |
| Total For Round 1 | | | | | \$1.10 |
| 1 | \$3.70 | \$4.00 | | .30 | |
| 2 | \$5.10 | \$4.30 | .80 | | .10 |
| 3 | | | | | |
| 4 | | | | | |
| 5 | | | | | |
| Total For Round 2 | | | | | .10 |
| 1 | \$5.10 | \$4.20 | .90 | | .40 |
| 2 | \$4.90 | \$4.40 | .50 | | |
| 3 | \$3.70 | \$4.20 | | .50 | |
| 4 | \$5.50 | \$4.00 | | .50 | |
| 5 | | | | | |
| Total For Round 3 | | | | | .40 |
| 1 | \$5.10 | \$4.70 | .80 | | |
| 2 | \$4.10 | \$4.70 | | .60 | |
| 3 | | | | | |
| 4 | | | | | |
| 5 | | | | | |
| Total For Round 4 | | | | | .20 |
| Grand Total | | | | | \$1.80 |



| Total For Round 2 | | | | .10 |
|-------------------|--------|--------|-----|--------|
| 1 | \$5.10 | \$4.20 | .90 | .40 |
| 2 | \$4.90 | \$4.40 | .50 | |
| 3 | \$3.70 | \$4.20 | | .50 |
| 4 | \$3.90 | \$4.00 | | .50 |
| 5 | | | | |
| Total For Round 3 | | | | .40 |
| 1 | \$5.10 | \$4.70 | .80 | |
| 2 | \$4.10 | \$4.70 | | .60 |
| 3 | | | | |
| 4 | | | | |
| 5 | | | | |
| Total For Round 4 | | | | .20 |
| Grand Total | | | | \$1.80 |

We were even colluding corporations.

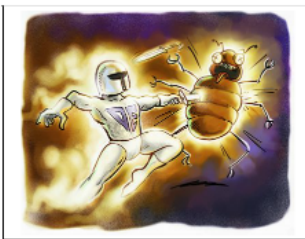
1. WFO Oligopoly Simulation

| Industry | | | Individual Firm | | | |
|-----------------------|-------------|--------------------|-----------------|---------------------|-------------------------------------|--------|
| Firms (From Sales) | Total Sales | Price | Sales Quantity | Total Revenue P x Q | Total cost \$15 Fixed \$17 Variable | Profit |
| H, H, H 30, 30, 30 | 90 | H = \$4 | | | | +35.00 |
| H, H, L 30, 30, 30 | 120 | H = \$4 L = \$3 | | | | +25.00 |
| H, L, L 30, 30, 30 | 105 | H = \$4 L = \$3 | | | | +45.00 |
| L, L, L 30, 30, 30 | 108 | L = \$3 | | | | +71.00 |

Profit or Loss Statement
(Read the results from the program chart to you please)

| No. | Industry Situation | Yours Firm's Price (H or L) | Profit | Loss |
|-----------------|--------------------|-----------------------------|---------------------|--------|
| 1 | H, H, H | H | \$11.00 | |
| 2 | H, H, L | H | | -15.00 |
| 3 | H, L, L | L | +45.00 | |
| 4 | L, L, L | L | +71.00 | |
| 5 | L, L, L | H | +18.00 | |
| 6 | H, H, H | H | +25.00 | -25.00 |
| 7 | H, H, L | H | | -25.00 |
| 8 | H, L, L | L | +45.00 | |
| 9 | L, L, L | L | +71.00 | |
| 10 | L, L, L | H | +18.00 | |
| 11 | | | | |
| 12 | | | | |
| 13 | | | | |
| 14 | | | | |
| 15 | | | | |
| Column Totals = | | | 205.00 | 100.00 |
| | | | No Profit or Loss = | 18.00 |

We even started our own business!



Taubman Terminators Inc.

**“We terminate bugs, roaches and
ain’t afraid of no ghosts.”**



Home

Raid

Black
Flag

EcoRadier

Flowtron

Lights Out

More about the Terminators

**“Our goal is to
help relieve any
stress over bugs
and to continue**





Taubman Terminators Inc.

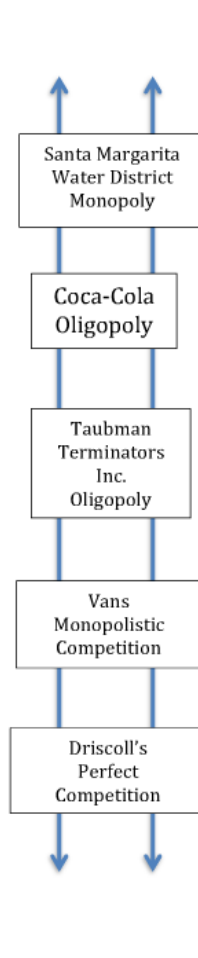
"We terminate bugs, roaches and ain't afraid of no ghosts."



- Home
- Raid
- Black Flag
- EcoRadier
- Flowtron
- Lights Out

Zach Taubman

Period 3



More about the Terminators

Taubman Terminators Inc. was founded in 1978 when a young man by the name of Zach Taubman accidentally killed a bug with an electrical plug. Now years later we pride ourselves on killing all unwanted bugs in your environment. It doesn't matter what type of bug, we will kill it. Our company is now one of the leading bug killing products in the world.

Our product is an advanced racket that when turned on uses the most high tech electrical shocks that when swiped in from of any bug will instantly end its life. We have been producing for a mass audience for quite some time now and have perfected our magic racket.

As one of the leading brands for bug killing products, it is not that easy to join this very competitive industry. We are a large company that is privately own and cannot be tampered with. Our competition is minimal and we try and become the best one bug at a time.

Our main competitor is Raid and Black Flag. Raid uses a bug ending mist that is pretty creative, but it is not as exhilarating as slaughtering a bug with an electrical racket. On the other spectrum of our main competitors, we have Black Flag. Their lantern zappers are too much work and way too large for the average citizen. This is precisely why our product is far better than our competitors.

Our prices of our product are very sensible and are affordable to the common man. We do not overprice our rackets like other leading brands. We are here to satisfy our customers with low prices and a strong invention. Thank you for doing business with the one and only Taubman Terminators Inc.

"Our goal is to help relieve any stress over bugs and to continue to meet everyone's satisfaction."

Santa Margarita Water District Monopoly



Coca-Cola Oligopoly



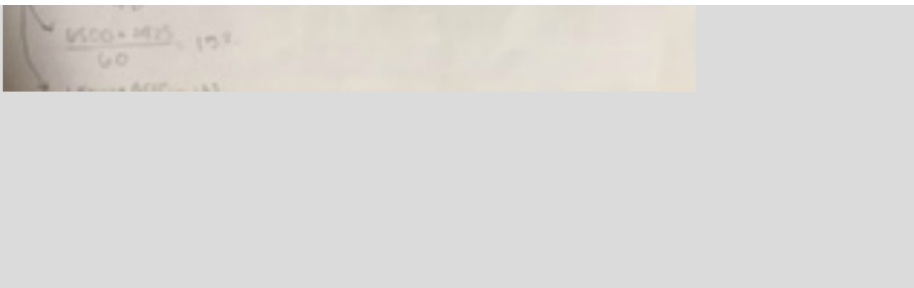
Vans Monopolistic Competition



Driscoll's Perfect Competition



Follow Us!



Based on results from the proposed plan as presented

| Qty | Industry | Year | Value | Price | Profit | Loss |
|-------------|----------|-------|--------|-------|--------|------|
| 1 | 111 | 11/11 | 311.00 | | | |
| 2 | 111 | 11/11 | | | -25.00 | |
| 3 | 111 | 11/11 | | | -25.00 | |
| 4 | 111 | 11/11 | | | -25.00 | |
| 5 | 111 | 11/11 | | | -25.00 | |
| 6 | 111 | 11/11 | | | -25.00 | |
| 7 | 111 | 11/11 | | | -25.00 | |
| 8 | 111 | 11/11 | | | -25.00 | |
| 9 | 111 | 11/11 | | | -25.00 | |
| 10 | 111 | 11/11 | | | -25.00 | |
| 11 | 111 | 11/11 | | | -25.00 | |
| 12 | 111 | 11/11 | | | -25.00 | |
| 13 | 111 | 11/11 | | | -25.00 | |
| 14 | 111 | 11/11 | | | -25.00 | |
| 15 | 111 | 11/11 | | | -25.00 | |
| 16 | 111 | 11/11 | | | -25.00 | |
| 17 | 111 | 11/11 | | | -25.00 | |
| 18 | 111 | 11/11 | | | -25.00 | |
| 19 | 111 | 11/11 | | | -25.00 | |
| 20 | 111 | 11/11 | | | -25.00 | |
| 21 | 111 | 11/11 | | | -25.00 | |
| 22 | 111 | 11/11 | | | -25.00 | |
| 23 | 111 | 11/11 | | | -25.00 | |
| 24 | 111 | 11/11 | | | -25.00 | |
| 25 | 111 | 11/11 | | | -25.00 | |
| 26 | 111 | 11/11 | | | -25.00 | |
| 27 | 111 | 11/11 | | | -25.00 | |
| 28 | 111 | 11/11 | | | -25.00 | |
| 29 | 111 | 11/11 | | | -25.00 | |
| 30 | 111 | 11/11 | | | -25.00 | |
| 31 | 111 | 11/11 | | | -25.00 | |
| 32 | 111 | 11/11 | | | -25.00 | |
| 33 | 111 | 11/11 | | | -25.00 | |
| 34 | 111 | 11/11 | | | -25.00 | |
| 35 | 111 | 11/11 | | | -25.00 | |
| 36 | 111 | 11/11 | | | -25.00 | |
| 37 | 111 | 11/11 | | | -25.00 | |
| 38 | 111 | 11/11 | | | -25.00 | |
| 39 | 111 | 11/11 | | | -25.00 | |
| 40 | 111 | 11/11 | | | -25.00 | |
| 41 | 111 | 11/11 | | | -25.00 | |
| 42 | 111 | 11/11 | | | -25.00 | |
| 43 | 111 | 11/11 | | | -25.00 | |
| 44 | 111 | 11/11 | | | -25.00 | |
| 45 | 111 | 11/11 | | | -25.00 | |
| 46 | 111 | 11/11 | | | -25.00 | |
| 47 | 111 | 11/11 | | | -25.00 | |
| 48 | 111 | 11/11 | | | -25.00 | |
| 49 | 111 | 11/11 | | | -25.00 | |
| 50 | 111 | 11/11 | | | -25.00 | |
| 51 | 111 | 11/11 | | | -25.00 | |
| 52 | 111 | 11/11 | | | -25.00 | |
| 53 | 111 | 11/11 | | | -25.00 | |
| 54 | 111 | 11/11 | | | -25.00 | |
| 55 | 111 | 11/11 | | | -25.00 | |
| 56 | 111 | 11/11 | | | -25.00 | |
| 57 | 111 | 11/11 | | | -25.00 | |
| 58 | 111 | 11/11 | | | -25.00 | |
| 59 | 111 | 11/11 | | | -25.00 | |
| 60 | 111 | 11/11 | | | -25.00 | |
| 61 | 111 | 11/11 | | | -25.00 | |
| 62 | 111 | 11/11 | | | -25.00 | |
| 63 | 111 | 11/11 | | | -25.00 | |
| 64 | 111 | 11/11 | | | -25.00 | |
| 65 | 111 | 11/11 | | | -25.00 | |
| 66 | 111 | 11/11 | | | -25.00 | |
| 67 | 111 | 11/11 | | | -25.00 | |
| 68 | 111 | 11/11 | | | -25.00 | |
| 69 | 111 | 11/11 | | | -25.00 | |
| 70 | 111 | 11/11 | | | -25.00 | |
| 71 | 111 | 11/11 | | | -25.00 | |
| 72 | 111 | 11/11 | | | -25.00 | |
| 73 | 111 | 11/11 | | | -25.00 | |
| 74 | 111 | 11/11 | | | -25.00 | |
| 75 | 111 | 11/11 | | | -25.00 | |
| 76 | 111 | 11/11 | | | -25.00 | |
| 77 | 111 | 11/11 | | | -25.00 | |
| 78 | 111 | 11/11 | | | -25.00 | |
| 79 | 111 | 11/11 | | | -25.00 | |
| 80 | 111 | 11/11 | | | -25.00 | |
| 81 | 111 | 11/11 | | | -25.00 | |
| 82 | 111 | 11/11 | | | -25.00 | |
| 83 | 111 | 11/11 | | | -25.00 | |
| 84 | 111 | 11/11 | | | -25.00 | |
| 85 | 111 | 11/11 | | | -25.00 | |
| 86 | 111 | 11/11 | | | -25.00 | |
| 87 | 111 | 11/11 | | | -25.00 | |
| 88 | 111 | 11/11 | | | -25.00 | |
| 89 | 111 | 11/11 | | | -25.00 | |
| 90 | 111 | 11/11 | | | -25.00 | |
| 91 | 111 | 11/11 | | | -25.00 | |
| 92 | 111 | 11/11 | | | -25.00 | |
| 93 | 111 | 11/11 | | | -25.00 | |
| 94 | 111 | 11/11 | | | -25.00 | |
| 95 | 111 | 11/11 | | | -25.00 | |
| 96 | 111 | 11/11 | | | -25.00 | |
| 97 | 111 | 11/11 | | | -25.00 | |
| 98 | 111 | 11/11 | | | -25.00 | |
| 99 | 111 | 11/11 | | | -25.00 | |
| 100 | 111 | 11/11 | | | -25.00 | |
| Grand Total | | | 311.00 | | 100.00 | |

We even started our own business!

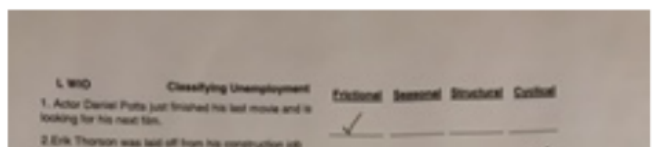
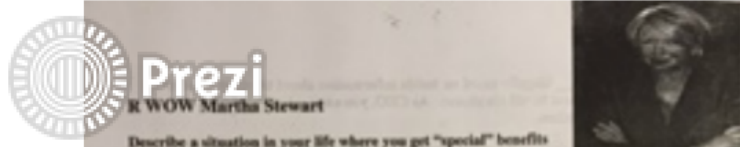


And We Will Always Remember...

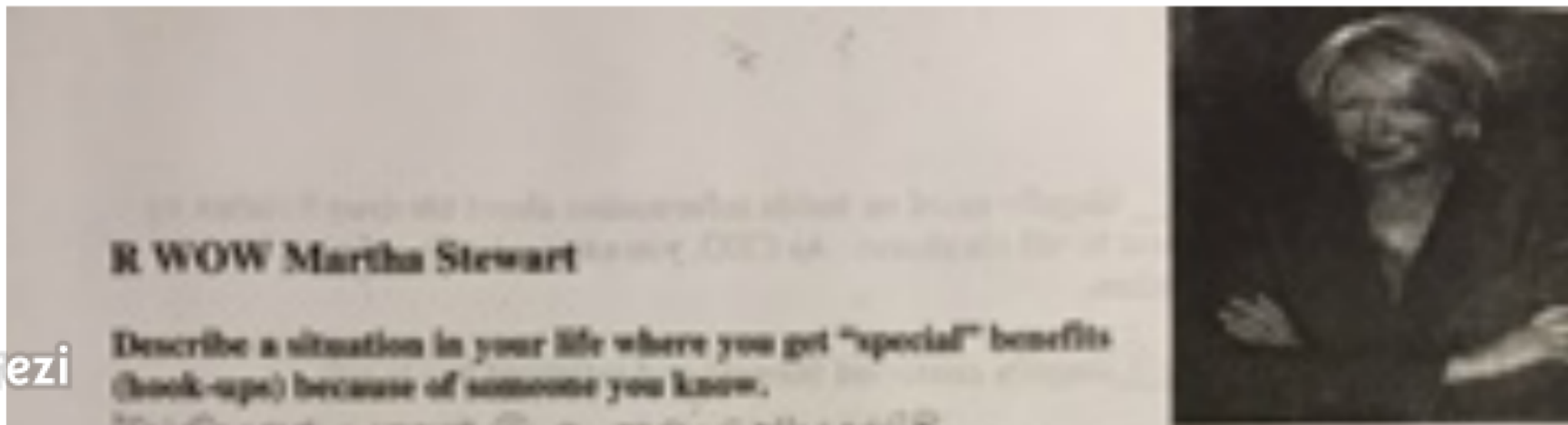
That We Will Never...

Be guilty of insider trading...

Or stay unemployed too long...



Be guilty of insider trading...



R WOW Martha Stewart

Describe a situation in your life where you get "special" benefits (hook-ups) because of someone you know.

My friend works @ a movie theater

and she can get me free movie tickets

but I can also do the same for her/and my family.



Timeline:

Oct 2001 - M. Stewart buys 5,925 shares of ImClone stock at \$70.00 per share

Thursday

Dec 21, 2001 - Sam Waksal, owner of ImClone sells millions of his shares of ImClone on a tip that his cancer drug Erlotinib did not get FDA approval

Dec 27, 2001 - Martha Stewart sells her shares of ImClone at \$58.43 per share

Friday

Dec 28, 2001 - FDA announces it did not approve Erlotinib.

Monday

Dec 31, 2001 - ImClone opens at \$45.31

*By selling at \$58.43, Stewart has a net savings of approx. \$40,000

Three key figures in the case:



Sam Waksal - CEO
of ImClone



Brian Baccantini -
Chief Broker for
Merrill Lynch



Martha Stewart - CEO
of Martha Stewart
Organization

I Never...

Or stay unemployed too long...

| L. WIG | Classifying Unemployment | Frictional | Seasonal | Structural | Cyclical |
|--------|--|-------------------------------------|--------------------------|--------------------------|-------------------------------------|
| 1. | Actor Daniel Potts just finished his last movie and is looking for his next fan. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. | Erik Thorson was laid off from his construction job because of the recession. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 3. | Berica Venable just graduated from college and is searching for her first job. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

L WIO

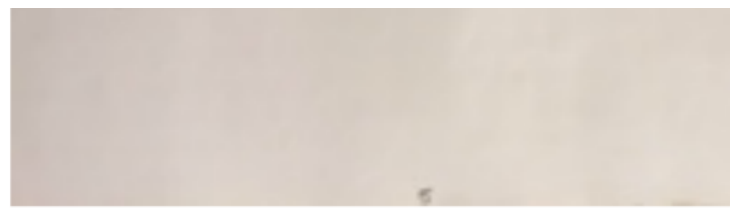
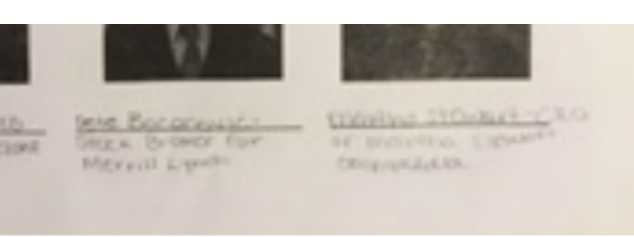
Classifying Unemployment

| | Frictional | Seasonal | Structural | Cyclical |
|--|----------------|----------|------------|----------|
| 1. Actor Daniel Potts just finished his last movie and is looking for his next film. | ✓ | | | |
| 2. Erik Thorson was laid off from his construction job because of the recession. | | | | ✓ |
| 3. Becca Venable just graduated from college and is searching for her first job. | ✓ | | | |
| 4. Matthew Webber just quit his oil exploring job with a U.S. company in Saudi Arabia and is searching for work in Pennsylvania. | ✓ | | | |
| 5. Kyle Lohberg has been laid off from her teaching job because of education cut-backs. | | | | ✓ |
| 6. Sam Maurer is retiring voluntarily from the Marines and is looking for work in Los Angeles. | ✓ | | | |
| 7. Travis Unghart lost his job as a court reporter when the county decided to use audio recorders in court. | | | ✓ | |
| 8. Charles Wheatley has been laid off by IBM as part of the company's cost-cutting move. | | | | ✓ |
| 9. Brianna Zukoski, a homemaker of 20 years, is out looking for her first paid job. | ✓ | | | |
| 10. Colette Lush, has quit her job to stay home and raise her first child. | Doesn't count. | | | |
| 11. The six year-old California drought reduced the demand for fruit processors and ski instructors. | | ✓ | | |

Negative Effects of Unemployment:

↓ tax base

↑ Govt. spending



And we must understand living on minimum wage is hard!

HOW 30 Days Minimum Wage

| Employers | Employees |
|-------------|--|
| 1. Profit ↑ | 1. Wages ↑ (living) |
| 2. Cost ↓ | <ul style="list-style-type: none"> • Health insurance • Education • Food/transportation • Retirement |

Poverty threshold-income level below which one is insufficient to support life.

Poverty rate-% of people with income below poverty threshold.

\$7.25 is the current Federal minimum wage

1. How much does a person working 40 hours a week on minimum wage earn per month?

30 DAYS



REUOW 30 Days Minimum Wage

| Employers | Employees |
|--------------------------|---|
| 1. Profit ↑ 2. Cost ↓ | 1. Income ↑ (Living) 2. Health insurance 3. Education 4. Food / Transportation 5. Entertainment |

Poverty threshold- income level below which one is insufficient to support the family.

Poverty rate- % of people whose income is below poverty threshold (below official poverty line).

\$7.25 is the current Federal minimum wage

1. How much does a person working 40 hours a week on minimum wage earn per month?

40 x \$7.25 = \$290.00 gross weekly income x 4 = \$1160.00

\$7.400 - 15% (tax) = \$990.00 net monthly income

2. What are the three rules Morgan and Alex must live by?

1. work full time job
2. cash flow 100
3. create credit card acc.

3. Why do they choose Ohio as the place for their minimum wage experiment?

more competitive place to get jobs

4. When was the last time Congress raised the minimum wage?

1997

5. What did Morgan make for his 11 hour day?

\$45.26

6. Who provides them with furniture for their apartment?

church member Steve, everything free

7. What are two reasons Morgan does not go to the doctor when he hurts his wrist?

1. no insurance

2. no money (credit card)

8. What does Morgan do to catch up after medical expenses and the electric bill deposit?

get a second full time job

9. What makes living on minimum wage almost impossible?

having to pay food, job bills, and medical if needed.
dis transportation



But, above all we have
learned to respect ourselves
be open to other's opinions,
and remain economically
literate!

We had a good semester. I learned a lot from you, and I am so proud of all the hard work every one of you has accomplish! You are all very intelligent, creative, and inspiring. I could only hope to have another class like you!



**KEEP
CALM
AND
LOVE**

ECONOMICS