1. Opportunity cost is defined as
   1. The various list of alternative actions one could take
   2. The least costly alternative
   3. The few number of alternative actions an individual can contemplate when confronting any choice
   4. The value of the next best alternative
2. Why do less attractive people commit more crimes (according to the article)?
   1. They are less likely to attract attention and get caught
   2. A series of life experiences has made them bitter and mean
   3. Because they have a less pleasant life, and thus risk less when risking being sent to jail
3. What class of people did the Roman Republic prefer to recruit for their armies
   1. Richer, property owners, because they risk more from a defeat
   2. The poorer classes, who had fewer and less desirable alternatives to the military
   3. Slaves, because their lives had less value to the Roman Senators
4. A concert to see *Panic! At the Disco*, costs $50, but you value the ticket at $80. This means attending the concert provides you with $80 - $50 = $30. At the same night you could see *Kings of Leon* for free, and you value that concert at $20. Which concert will you attend and what is it’s opportunity cost?
   1. You will see *Kings of Leon*, and the opportunity cost is $80.
   2. You will see *Kings of Leon*, and the opportunity cost is $50.
   3. You will see *Kings of Leon*, and the opportunity cost is $30.
   4. You will see *Panic! At the Disco*, and the opportunity cost is $0.
   5. You will see *Panic! At the Disco*, and the opportunity cost is $20.
5. It costs about $40,000 to train a guide dog and the blind person to use the guide dog. Donating to charities that provide such guide dogs is thus an altruistic act. However, Singer wants us to observe that
   1. Blind people can earn money by working whereas many in developing countries cannot even find a job
   2. For the same amount of money you could cure between 400 and 2,000 people of blindness in developing countries.
   3. Spending the same amount of money to subsidize chemical fertilizers in developing countries could save perhaps 30,000 lives over ten years.
6. The accounting cost of something is the amount of money spent on a good, whereas the opportunity cost refers to the \_\_\_\_\_\_\_\_\_ you would receive from buying the next best alternative.
   1. value, defined as the value of the good minus the price you pay for it
   2. value, defined as the value of the good if it were free
   3. value, defined as the price you pay for it
7. You put your own money into a business and it turns you a rate of return of 10% (meaning you got back what you put in, plus 10% more). The opportunity cost of investing in that business is…
   1. The rate-of-return available in risk-free bonds
   2. The rate-of-return available in the next best investment
   3. The rate-of-return in more risky, but potentially higher earning investments
   4. The rate-of-return one might have experienced if fortune was less favorable.
8. Before deciding that spending $20 billion to save lives by banning pesticides is a good thing, you should…
   1. Ask whether it will reduce fruit and vegetable consumption, thereby harming human health
   2. Evaluate other ways of spending money to save lives
   3. both A and B
9. A farmer can make $150, $130, and $120 dollars in profits for each acre of soybeans, cotton, and peanuts produced, respectively. If the profits from growing peanuts rises to $135, how does the opportunity cost of growing soybeans change?
   1. Increases to $125
   2. Increases to $127.5
   3. Decreases by $5
   4. Increases by $5
   5. Opportunity cost does not change
10. A farmer can make $150, $130, and $120 dollars in profits for each acre of soybeans, cotton, and peanuts produced, respectively. If the profits from growing peanuts rises to $125, how does the opportunity cost of growing soybeans change?
    1. Increases to $125
    2. Increases to $127.5
    3. Decreases by $5
    4. Increases by $5
    5. Opportunity cost does not change
11. A farmer can make $300 per acre growing cotton, $250 per acre growing corn, and $225 per acre in profits growing soybeans. Her cost of production for cotton, corn, and soybeans are $200, $180, and $300 per acre, respectively. What is her opportunity cost of growing cotton?
    1. $200 per acre
    2. $250 per acre
    3. $180 per acre
    4. $300 per acre
    5. $225 per acre
    6. Zero
    7. Unable to tell from the information given
12. *Following from the previous question*...Suppose that the profits from soybean production increase to $240. How does this change the opportunity cost of cotton production?
    1. Increases the opportunity cost to $240 per acre
    2. Does not change the opportunity cost
    3. Increases the opportunity cost to $250 per acre
    4. The opportunity cost falls, but how far it falls is ambiguous
13. *Following from the two questions ago*...Suppose that the profits from soybean production increase to $270. How does this change the opportunity cost of cotton production?
    1. Increases the opportunity cost to $270 per acre
    2. Does not change the opportunity cost
    3. Increases the opportunity cost to $250 per acre
    4. The opportunity cost falls, but how far it falls is ambiguous