

Exam 2 Study Guide
AGEC 1113, Spring 2014

Exam 2 will be given on March 10.

You may only use a calculator to crunch numbers, not your smartphone. Scientific calculators are fine. If no calculator, you must calculate everything by hand.

Students may use one cheat sheet, provided it is written by hand, is not a photo-copy of someone else's sheet, is a single 8.5 inch by 11 inch sheet, and is written on one side only. Each cheat sheet must contain the students printed name on the blank side and must be submitted with the exam.

Remember to bring an orange scantron and your correct CWID number.

Students (other than those with disabilities) not taking the test at the normal time will be asked to take one consisting primarily of essay questions.

There are 36 questions, all multiple-choice, each counting one point each. The subject for each question is given below.

Also notice the tables at the end of the study guide. When you take the test you will be given prices and yields in the table, and you must calculate all the costs. In question 27 I give you an example of how the tables are used to answer multiple choice questions.

- (1) [From (1.c) *When markets defeated Malthus*; 1 point]
- (2) [From (1.c) *When markets defeated Malthus*; 1 point]
- (3) [From (1.c) *When markets defeated Malthus*; 1 point]
- (4) [From (1.c) *When markets defeated Malthus*; 1 point]
- (5) [From (1.c) *When markets defeated Malthus*; 1 point]
- (6) [From (1.c) *When markets defeated Malthus*; 1 point]
- (7) [From (4.a) *A primer on tangent lines*; 1 point]
- (8) [From (4.a) *A primer on tangent lines*; 1 point]
- (9) [From (4.b) *The three stages of production*; 1 point]
- (10) [From (4.b) *The three stages of production*; 1 point]
- (11) [From (4.b) *The three stages of production*; 1 point]
- (12) [From (4.b) *The three stages of production*; 1 point]
- (13) [From (4.b) *The three stages of production*; 1 point]
- (14) [From (4.c) *Marginal product*; 1 point]
- (15) [From (4.c) *Marginal product*; 1 point]
- (16) [From (4.c) *Marginal product*; 1 point]
- (17) [From (4.c) *Marginal product*; 1 point]
- (18) [From (4.c) *Marginal product*; 1 point]
- (19) [From (4.c) *Marginal product*; 1 point]
- (20) [From (4.c) *Marginal product*; 1 point]
- (21) [From (4.c) *Marginal product*; 1 point]
- (22) [From (4.d) *Costs, revenues, and profits*; 1 point]
- (23) [From (4.d) *Costs, revenues, and profits*; 1 point]
- (24) [From (4.d) *Costs, revenues, and profits*; 1 point]
- (25) [From (4.d) *Costs, revenues, and profits*; 1 point]
- (26) [From (4.d) *Costs, revenues, and profits*; 1 point]
- (27) [From (4.d) *Costs, revenues, and profits*; 1 point] In Table 4 below, what is the value of cell G3?

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- (28) [From (4.d) *Costs, revenues, and profits*; 1 point]
- (29) [From (4.d) *Costs, revenues, and profits*; 1 point]
- (30) [From (4.d) *Costs, revenues, and profits*; 1 point]
- (31) [From (4.d) *Costs, revenues, and profits*; 1 point]
- (32) [From (4.d) *Costs, revenues, and profits*; 1 point]
- (33) [From (4.e) *When to grow*; 1 point]
- (34) [From (4.e) *When to grow*; 1 point]
- (35) [From (4.e) *When to grow*; 1 point]
- (36) [From (4.e) *When to grow*; 1 point]

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Table 4

Price of wheat		\$ / bushel
Price of nitrogen		\$ / lb
Fixed Costs		\$ / acre
Other Variable Costs		\$ / acre

A	B	C	D	E	F	G	H	I	J
	Produce wheat?	Nitrogen (lbs / acre)	Wheat yield (bushels / acre)	Cost of nitrogen application (\$ / acre)	Total fixed costs (\$ / acre)	Total variable costs (\$ / acre)	Total private costs (\$ / acre)	Revenues (\$ / acre)	Private profits (\$ / acre)
1	NO								
2	Yes								
3	Yes								
4	Yes								
5	Yes								
6	Yes								
7	Yes								
8	Yes								

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For Table 5 use the prices and cost numbers in Table 4.

Table 5

A	B	C	D	E	F
	Produce wheat?	Nitrogen (lbs / acre)	Wheat yield (bushels / acre)	Average Variable Cost	Average Total Cost
1	NO				
2	Yes				
3	Yes				
4	Yes				
5	Yes				
6	Yes				
7	Yes				
8	Yes				