

# (6.b) Value

The Onion video, "Markets in Turmoil As Price of Money Skyrockets to \$90 a Dollar," is funny because we know that a dollar today is worth \_\_\_\_\_.

- ☐ less than a dollar
- ☒ exactly one dollar
- ☐ more than one dollar
- ☐ none of the above

## (6.b) Value

**We can live without diamonds but not water. If price indicates value, why, then, is the price of diamonds greater than water?**

Answer: The difference has to do with total value versus marginal value. Certainly, the \_\_\_\_\_ value of all the water we drink is greater than the \_\_\_\_\_ value of all the diamonds we consume. However, diamonds are more scarce than water, and starting from our current consumption, we value a little more diamonds more than we value than a little more water, making the \_\_\_\_\_ value of a diamonds greater than the \_\_\_\_\_ value of water.

- ☐ total; marginal; total; marginal
- ☐ marginal; total; marginal; total
- ☒ total; total; marginal; marginal
- ☐ marginal; marginal; total; total

# (6.b) Value

To an economist, the "value" of a steak refers to ...

- ☐ the total experienced happiness from eating the steak
- ☐ the value of the second ranked opportunity cost
- ☐ to an economist happiness is subjective, so there is no such thing as a real "value" of anything
- ☒ the maximum amount of money one would pay for the steak

## (6.b) Value

When the government is considering the width of a median between lanes of a highway it considers the cost of the median relative to the value of the lives saved. This value is calculated by multiplying the expected number of lives saved due to the median times the \_\_\_\_\_ ?

- ☒ value of a statistical life
- ☐ value of an actuarially life
- ☐ cost of the average funeral
- ☐ expected life insurance indemnity of the average American
- ☐ expected earning of the average American over a ten year period

## (6.b) Value

In the video "Todd Margaret ..." the Todd Margaret character accidentally reveals the

- ☐ the cost of filming a commercial
- ☐ the cost of the cameras and crew to film a commercial
- ☒ value, or maximum willingness-to-pay, for an endorsement
- ☐ the opportunity cost of the commercial

## (6.b) Value

Braums milk is processed in a way that makes it higher in protein without being higher in fat. To many people this enhances the \_\_\_\_\_ utility of the product.

- ☒ Form
- ☐ Time
- ☐ Place
- ☐ Possession

# (6.b) Value

While Jon Stewart mocked an individually-wrapped banana on The Daily Show, so long as the wrapping makes people desire bananas more, the \_\_\_\_\_ utility of bananas increases.

- ☒ Form
- ☐ Time
- ☐ Place
- ☐ Possession

## (6.b) Value

When a hurricane is forecasted to hit a region, Walmart immediately begins shipping lots of Pop-tarts to that region, knowing that flocks of consumers will be wanting to buy it in preparation for power outages. This action increases the \_\_\_\_\_ utility of Pop-tarts in that it is provided at the precise time it is especially desired, but also the \_\_\_\_\_ utility in that it is delivered to the regions most in need of it.

- ☐ form; time
- ☒ time; place
- ☐ place, possession
- ☐ possession; form



# (6.b) Value

If Walmart also accepts every form of payment for those Pop-tarts, they increase the \_\_\_\_\_ value of the Pop-tarts also.

- ☐ Form
- ☐ Time
- ☐ Place
- ☒ Possession

## (6.b) Value

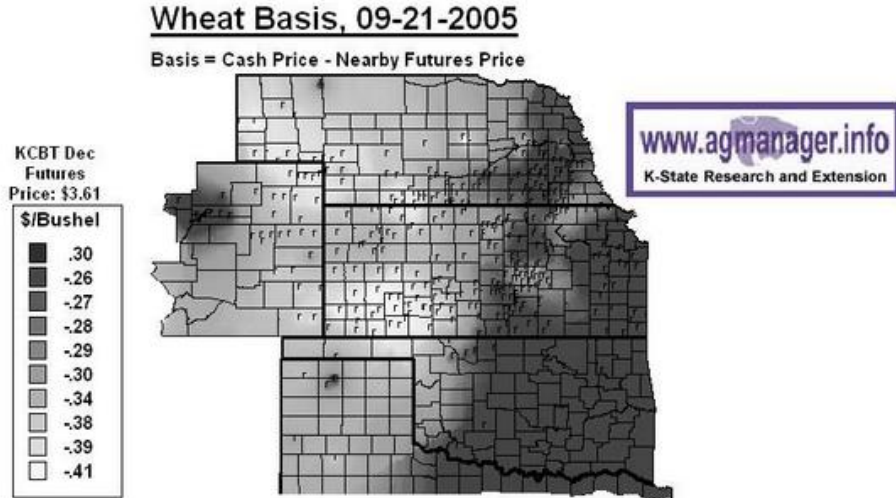
At Thanksgiving, turkeys are valued highest due to a high \_\_\_\_\_ utility. Nevertheless, stores often sell turkeys at below cost.

- ☐ Form
- ☒ Time
- ☐ Place
- ☐ Possession

# (6.b) Value

**Below is a map showing wheat prices on September 21, 2005.**

The prices are relative to a reference price, so a higher number means a higher price.



The map above shows that wheat prices are higher in the eastern part of Oklahoma. Why?

- ☒ Most all the wheat will be sold in the eastern part of the state, and wheat in western Oklahoma has to be transported farther
- ☐ Eastern Oklahoma receives more rain, making the wheat possess a higher quality
- ☐ Less wheat is grown in eastern Oklahoma, making it more scarce and thus more valuable.
- ☐ Wheat cannot be transported far, so wheat in western Oklahoma has fewer buyers due to a smaller population

## (6.b) Value

Most of the time people's \_\_\_\_\_ value of a good declines the more of it one possesses. However, this was not true for Homer in Video 4, and that's why the video is funny.

- ☐ total
- ☐ acerby
- ☒ marginal
- ☐ kareto

## (6.b) Value

The famous demand curve slopes downward, because as price falls people buy \_\_\_\_\_ of the good.

- ☐ less
- ☐ the same amount
- ☒ more

## (6.b) Value

**In economics, when it comes to the value people place on things, ...**

- ☐ economists try to help people put things in perspective to discover their "real" value
- ☐ economists say "there is no accounting for tastes" and allow people to determine their value for things
- ☐ economists concentrate on utility instead of value, because value is subjective while utility is not