

Re: Some microeconomics questions

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In article <8c43abae.0409281253.2a7d8eb7@posting.google.com>, zgall1@aol.com (Lara) wrote:

- > *I am studying for a test and these questions are a part of my*
- > *review booklet. I am having trouble with them and I would*
- > *appreciate any help you could give me. Thanks.*
- >
- >
- > *1. True or false: Goods that are produced at a constant*
- > *opportunity cost have an elastic demand*
- >
- > *2. Drought in many wheat-growing areas cut the supply of*
- > *wheat in 2004 by 4 percent. The price elasticity of demand for*
- > *wheat is 0.5, and the cross elasticity of demand for pasta with*
- > *respect to the price of wheat is 2.2.*
- > *a. By how much will the price of wheat rise?*
- > *b. By how much will the quantity demanded of pasta change?*
- > *c. Pasta makers estimate that the change in the price of wheat*
- > *in part (a) will increase the price of pasta by 20 percent. What is*
- > *the pasta makers' estimate of the price elasticity of demand for*
- > *pasta?*

You are more likely to get a helpful answer on Usenet if you show some work. For instance, what do you understand technical terms like "opportunity cost", "price elasticity of demand", "cross elasticity of demand", and "elastic demand" to mean?

You might still not get a helpful answer on sci.econ. Many of posters here seem to think that most of what is taught in mainstream microeconomics is empirically false or logically self-contradictory. Some are better than others at demonstrating that for any selected element of such courses. Many of the academics who teach this stuff seem to have incorrectly decided that such opinions are merely insults and have abandoned public posts to this forum.

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virtue, are found in proportion to the power or wealth
of a man is a question fit perhaps to be discussed by
slaves in the hearing of their masters, but highly
unbecoming to reasonable and free men in search of
the truth. -- Rousseau