

Chapter 1: The Power of Markets

1. What does it mean to “maximize your utility?”
2. What are some “barriers to entry” that make it so only seller can provide a good or service? Why are barriers to entry important?
3. What is meant by “price discrimination?” Why do you think airlines are able to price discriminate?
4. What does Wheelan mean when he says the market economy operates as an “amoral force?”
5. Besides prices, what is another way that firms can compete in order to outperform their competition?
6. According to Wheelan, what makes markets a good way to organize economic activity?

Part II

Create a study card (4x6 index cards should be used) for the following terms and concepts. Most of the definitions can be found on the website: <http://www.economist.com/economics-a-to-z/>. Feel free to use any other online resource to assist you with the terminology.

- Scarcity
- Opportunity Cost
- Trade offs
- Microeconomics
- Macroeconomics
- Incentives
- Marginal Analysis
- Positive Statements
- Normative Statements
- Comparative Advantage
- Absolute Advantage
- Market Economy
- Mixed Economy
- Command Economy
- Efficiency

Your index cards should have the following format:

Front of Card

Vocabulary Term

Back of Card

Economic Definition

Real world Scenario/Example

Part III

Go to the link <https://www.ted.com/topics/economics> and pick one TED talk from the list. This TED talk should be focused on Economics. Your assignment is to watch the talk and write a typed response. Your responses should include the following components.

1. Who is the author of the talk? Briefly research the author's background.
2. What is the primary argument of the talk? Summarize the main idea of the author's argument in one paragraph.
3. What are some possible counter arguments to the talk? What possible flaws might exist in the author's argument? Summarize in one paragraph.
4. What is your opinion of the author's argument? Explain.

This is not an academic research paper. I want you to think critically about one of the topics we will be studying in this class. You are welcome to use first person pronouns.