AP MICRO ECONOMICS SUMMER ASSIGNMENT:
Mrs. Betsill

Naked Economics: Undressing the Dismal Science, by Charles Wheelen

Summer Assignment (Worth 1 test grade)

Directions: Answer 10 of the following questions. Your answers must reflect that you have both read and understood the economic concepts being discussed.

**Due Date: September 6, 2016**

1. Country A has a GDP of $42 billion, and country B has a GDP of $97 billion. Which country has more wealth? Explain your answer.

2. Explain the intriguing paradox between our reaction to hard economic times and our spending.

3. A mother does not have a job, her two sons do not have a job, and her daughter has a job. All of these people are over 18 years of age. How many of these people will be included in our nation's unemployment rate? Explain.

4. Why are national savings so important to a country's economic welfare?

5. Explain how the Federal Reserve works. Make sure to include how the fed can slow or speed up the economy.

6. Explain the bizarre phenomena in India related to its currency - the rupee note.

7. Explain how inflation is calculated.

8. What is hyperinflation? Describe an example the book used in explaining hyperinflation.

9. Discuss globalization.

10. Abraham Lincoln was once advised to buy cheap iron rails from Britain to finish the transcontinental railroad. He replied "it seems to me that if we buy the railroad from England, then we've got the rails and they've got the money. But if we build the rails here, we've got the rails and we've got the money. Does the book agree or disagree with his statement? Explain.

11. How does trade create losers? Give one example that the book gave.

12. Trade hurts poor countries? Does the book support or disagree with the statement? Explain.
13. What happened when the South Korean company the Daewoo Corporation moved to Bangladesh?

14. Sweatshops that employ children can be good. Does the book agree or disagree with this statement? Explain.

15. What is the message of the anti-global people?

16. In 1993, child workers in Bangladesh were found to be producing clothing for Wal-Mart. U.S. Senator Tom Harkin proposed legislation banning imports from countries employing underage workers. What was the direct and indirect result for the children after the legislation passed?

17. Name three policies that make the difference between wealth and poverty of nations.

18. Explain why a person in the U.S. can borrow against their home to expand their business and a person in Malawi can not do the same?

19. What is the ironic statistic related to the area between the Tropic of Cancer and the Tropic of Capricorn?

20. If the U.S. dollar weakens, who benefits and who suffers?

21. Natural resources play a heavy role in determining whether a country is rich or poor. Does the book agree or disagree with this statement? Explain.

22. Why is it bad to have a serious illness, but worse to have a "rare" serious illness? What is the orphan drug act that congress passed?

23. Why did Coca Cola give out free cokes to people in Berlin in the year 1989?

24. Why did a 91 year old woman from Hattiesburg, Mississippi give away $150,000 to the University of Southern Mississippi four years before she died? (she worked at the local laundry in lived in a very small house)

25. How do smokers provide a benefit to the rest of Americans?

26. Why are the lines at the Department of Motor Vehicles always long and the clerks aren't always friendly?