

Problem Set 2

Due Lecture 3 in class on paper

1. GLS Chapter 3, Question 6

Ignore anything about values in hundreds or thousands and just use the raw numbers in the equations.

2. GLS Chapter 3, Question 13

3. Price regulations

Give a specific example of a price ceiling or floor – not one from class or from the textbook. Roughly, what was the impact of this regulation on quantity supplied and quantity demanded?