

Problem Set 2

On what and how to submit

- For this and all future problem sets, questions are from the “Problems” section of the questions at the end of the chapter.
- Due before Lecture 3 to your Box folder
- Name the file “ps02_[lastname].[extension]”. For example, my file would be “ps02_brooks.pdf”.
- You do not need to type your submission. Any **legible** submission is ok. For example, you can write the problem set with hand-drawn graphs, take a picture, and submit the picture.

1. GLS Chapter 2, Question 20

For this question, make a logically consistent argument. There may not be one “right” answer.

2. Find one peer-reviewed (this means published in a reputable academic journal) estimate of either the price elasticity of demand or the price elasticity of supply for the good of your choice. I encourage you to use [EconLit](#). You must be logged in to GW’s virtual private network to use Econlit. If you don’t already have software to use GW’s vpn, see [here](#). Cite the source for your estimate, and interpret it. That means, if the estimate is 0.45, this means that [blah blah] increase in price causes a [blah blah] change in supply, where [blah blah] is a specific number.