Dear adjunct students,

I make mistakes too. Please note these mistakes in my answer keys.

1. I do not always calculate my answers even though the problems ask you to calculate something. YOU MUST KNOW THE AREA FORMULAS if you want to do well on the midterm. If the problem asks you to CALCULATE something, then that means I want a NUMERICAL answer.

2. Floors & Ceilings Worksheet Answer Key, page 3 of 3.

In the boxed question, I should have also written: "Assume the price-floor is binding and the government does not buy-back any of the excess supply. In other words, the government allows the excess supply to rot."

Just add those extra sentences, and everything in the answer key is correct!

3. Demand & Supply Worksheet Answer Key, page 3 of 3.

That *page* should be torn up. I will hand out a new page 3 for this answer key.


I wrote that "Mkt demand = \( \sum d \) w/ kinks @ \( P=2, P=3 \)." BUT what I should have written was: "Mkt demand = horizontal summation of \( d \) w/ kinks at \( P=2, P=1 \)."

5. Quiz #4: Imperfect Competition Answer Key, page 1 of 6.

I wrote the domains wrong. Market demand should be:

\[
Q = \begin{cases} 
-P+3 & \text{ when } 2 \leq P \leq 3 \\
-(4P/3) + 11/3 & \text{ when } 1 \leq P \leq 2 \\
-(11P/6) + 25/6 & \text{ when } 0 \leq P \leq 1 
\end{cases}
\]


I wrote "A firm with a supply curve will price one amount given a level of production." That's WRONG because perfectly competitive firms are price-takers and are not price-setters. I should have written: "A supply curve assumes perfect competition."


The answer with the two graphs is WRONG. Cross-out the answers to that boxed question. The idea about the price-floor causing an infinite number of firms to enter in the long-run is FALSE. I will hand out a revised answer key for that boxed question.

The other answers should be correct. Let me know if you do not understand my answer keys. DO THE PROBLEMS OVER AND OVER AGAIN.