

Economics by Example, by David Anderson  
Reading Guide & Questions

**Directions:** As you read the chapter today in class, complete the questions that follow. These will serve as your notes from this reading, which is chock full of good economic information & insights!

**Chapter 3: The Coffee Market's Hot; Why are Bean Prices Not?**

*Insights into Supply and Demand*

1. What does the supply curve exhibit (show)?
2. What is the "law of supply?"
3. How does the law of supply describe your own work behavior? Select a task that you perform, and draw a supply graph showing the quantity of hours worked versus the wage you would expect to earn for each additional hour. Use the graph on page 18 as a guide.
4. Page 22. Define – normal good:
5. Page 22. Define – inferior good:
6. Using a supply & demand graph explain the statement "**The Coffee Market's Hot; Why are Bean Prices Not?**"

#### **Chapter 4: Why was the Great Newspaper Heist so Easy?**

1. How is economics about the meaning of life?
2. Define utility
3. Give an example of a good in your life that has a lot of elasticity. Contrast this with a good that does not have a lot of elasticity for you. Explain why one is elastic and the other is not, make sure to reference the 4 boxes on page 29.
4. Discuss your opinions for the last section on Demand for Heart Surgery and Sin.

#### **Chapter 5: How can Economics Influence Your Choice of a Spouse?**

Answer 3 of the 6 discussion questions below, be sure to label the question number you are answering.