AFRICA MEDICAL COLLEGE
Departments of PHARMACY/NURSING/PUBLIC HEALTH
Course Title: ECONOMICS
Course Code: econ-1103

Group Assignment I [Nursing and Pharmacy Section B]

Instruction: *Form a group of seven to ten people and answer each of the following questions under sections A and B. write a maximum of five and no less than three pages. Do not forget to acknowledge the source, hence, to provide the references. The submission date is* ***26th November 2019.***

Section A

1. How is economics like a science?
2. What is opportunity cost of seeing a movie? How can the term be defined?
3. Give three examples of important trade-offs that Ethiopians society may face?
4. What is the difference between a positive and a normative statement? Give an example of each.
5. If you were president, would you be more interested in your economic advisers' positive views or their normative views? Why?
6. Explain why economics deals with allocation and efficient utilization of scarce resources only?
7. Classify the following topics as relating to microeconomics or macroeconomics:
   A. a family's decision about how much income to save
   B. the effect of government regulations on auto emissions
   C. the impact of higher national saving on economic growth
   D. a firm's decision about how many workers to hire
   E. the relationship between the inflation rate and changes in the quantity of money.
8. Describe the four categories of economic resources. Which category of resources do you and your family owned?
9. Classify each of the following statements as positive or normative. Explain.
   A. Society faces a short-run trade-off between inflation and unemployment.
   B. A reduction in the rate of growth of money will reduce the rate of inflation.
   C. The Federal Reserve should reduce the rate of growth of money.
   D. Society ought to require welfare recipients to look for jobs.
   E. Lower tax rates encourage more work and more saving.
10. Draw and explain a production possibilities frontier for an economy that produces milk and cookies. What happens to this frontier if disease kills half of the economy's cow population?

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Section B

Draw a circular-flow diagram. Identify the parts of the model that correspond to the flow of goods and services and the flow of dollars for each of the following activities.

A. Sam pays a storekeeper $1 for a quart of milk.
B. Sally earns $4.50 per hour working at a fast food restaurant.
C. Abdu spends $7 to see a movie.
D. Sarah earns $10,000 from her 10 percent ownership of Agricultural machine.