

ECO 610
Problem Set #1
Fall 2020

Instructions: This is a team assignment, so turn in one paper for all three members of the team. I will shuffle the composition of teams after the second and fourth problem sets. I will leave it to each team to figure out how to work on this assignment as a group, but if you encounter shirking by a teammate, don't hesitate to involve me. Turn in a pdf of your answers at the beginning of class on 9/14 or 9/15.

1. (10 pts.) We have discussed two different lines along which economic systems can be classified. We also watched a short video clip explaining how agriculture in China works. How would you categorize the Chinese system of agriculture according to each of the classification approaches? Briefly explain both the two taxonomies and how Chinese agriculture fits into each.
2. (10 pts.) Two pieces of information for you to use in answering part (a): The federal subsidy program for ethanol has increased the demand for corn and led to record high corn prices. Soy milk is a popular substitute for cow's milk, especially for those who are lactose intolerant.
 - a. Using supply and demand analysis, explain how higher corn prices affect the market for soybeans. Then explain how the market for a soybean-based product like soy milk is secondarily affected by the ethanol program. Illustrate your answers in supply and demand diagrams for soybeans and for soy milk.
 - b. What do you think will happen to the stock price of Blue Diamond, a large almond producer that markets its own brand of almond milk, a close substitute for soy milk. Draw a diagram that supports your answer.

Section 201/203 Teams:

1. M. Appleton, K. Silver, B. Sturgill
2. N. Burr, K. Wiard, R. Tandon
3. R. Flickinger, C. Workman, J. Franks
4. T. Greene, K. Suzuki, T. Murphy
5. M. Lattin, R. Syed, L. Gray
6. C. Shepherd, M. Oertel, M. Hurst
7. L. Smart, K. Staggs, D. McQuaid
8. B. Stevens, J. Lenoir, C. Dobson
9. M. Ticar, J. MacLeod, T. Bradford
10. Y. Xia, K. Midelfort, L. Fowler
11. K. Bradford, L. Adedokun

Section 202/204 Teams:

1. K. Rowe, M. Alonso, K. Stafford
2. B. Billiter, E. Hammons, K. Starns
3. T. Williamson, M. Koutourousiou, C. Swartout
4. J. Rolf, E. LaFavers, J. Thomas
5. J. Donahue, K. Moore, JD Heck
6. T. Gatewood, C. Smith, A. Kilgore
7. K. Fugate, I. Almagdub, R. Mahan
8. K. Meyer, M. Anderson, K. Obeng

9. S. Patel, T. Bosley, M. Paranzino
10. P. Almeter, S. Reiner, R. Saunders
11. M. Mastalerz, H. Ganesh, T. Stapleton
12. J. St. James, A. Smith, J. Wells
13. A. Terry, T. Thompson, J. White