

**PROBLEMS AND
EXERCISES
IN ECONOMICS**

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Problems and Exercises in Economics by H. Gordon Hayes

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H. GORDON HAYES

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IN ECONOMICS**

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REVISED EDITION

BY

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PREFACE TO THE FIRST EDITION

This book of problems and exercises, originally prepared for the use of students in the University of Minnesota, has been thoroughly revised and enlarged for the present edition. It is designed to serve teachers and students in the Principles of Economics by furnishing illustrative problems and exercises in convenient form. It is believed that the use of such problems will tend to accomplish the following results:

- (1) Illustrate the principles of the science and the subject-matter of the text.
- (2) Form a basis for class discussions, and for discussions by students outside of class.
- (3) Promote close thinking on the part of the student.
- (4) Encourage students to read more critically.
- (5) Stimulate interest in the subject.

The problem method succeeds best when certain problems are assigned for written exercises, the papers read and returned to the student, with errors indicated, to be corrected and returned to the instructor. For large classes this plan can be best followed by having special assistants to read the

papers. But preparation of the papers by the student; even if some, or all, of them, may not be given specific criticism, is eminently worth while, as is the study of problems without reducing the answers to writing. A few suggestions with regard to the method of attacking problems, together with a scheme for the preparing and marking of papers, are included at the end of the book. It is suggested that teachers use care in assigning problems, that those which are too difficult for the student or those for which help is not contained in the text or assigned reading shall be omitted.

The outline of the book, and the order of arrangement of the problems follow, in general, Professor Seager's *Principles of Economics*, which it is intended to accompany. As the problems and exercises relate to the general principles of economics rather than to the particular subject-matter of the text, and as many of them contain within themselves most of the data needed for their solution, the book should prove practically as well suited to accompany any other text-book.

The author wishes to acknowledge a very special indebtedness to Professor F. M. Taylor, of the University of Michigan, first, for the general idea of the problem method which is embodied in this book; secondly, for the training, while student and teacher under his direction, in his method of constructing problems and adapting them to effective use; and thirdly, for a large number of problems either copied

PREFACE

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or adapted from his *Principles of Economics* and from his lists of examination questions; for which he gave generous permission. The author is also under special obligation to Dr. Carl E. Parry, of the Ohio State University, for valuable suggestions and criticisms. In addition, he wishes to express appreciation for permission to use a few problems prepared by Dr. Parry, and a few from the *Outlines of Economics* published by the University of Chicago Press. Such problems, together with those from Professor Taylor, are indicated by the appropriate initial, without parenthesis if copied, with parenthesis if adapted.

H. G. H.

MINNEAPOLIS, 1916.



PREFACE TO THE SECOND EDITION

The list of problems published six years ago has been considerably altered for the present edition. While some of the problems of the first edition are included in this edition without alteration, for the most part substitutions have been made for the original problems or they have been rewritten.

H. G. H.

COLUMBUS, OHIO,
April, 1922.

PROBLEMS AND EXERCISES IN ECONOMICS

I.

INTRODUCTION.

1. *a.* Mention several wants which you have which are dependent upon economic goods for their satisfaction.

b. Mention wants which you have which are in no way dependent upon economic goods for their satisfaction.

2. Define economics. Amplify the definition showing what the science includes and what it excludes.

3. *a.* Are the questions suggested by the following terms economic: prison reform, Sunday baseball, six-year presidential term, intercollegiate athletics, eight-hour day, submarine warfare?

b. Do those which are not economic involve economic considerations? Explain.

4. List five important questions of the day. Designate