

# ECON 107

## Quiz 5

This quiz will last 10 minutes.

1. (6 points) **Honor Statement:** Please read and sign the following statement:

I promise that my answers to this test are based on my own work without reference to any notes, books, or the assistance of any other person. I will also neither help others nor use a calculator or other electronic aid for calculation.

Name and Surname: \_\_\_\_\_

Student ID: \_\_\_\_\_

Signature: \_\_\_\_\_

2. (4 points) Define an economic equilibrium.

**Solution 1** *An equilibrium in a social system is a state where everyone correctly expects what others are doing and at the same time want do what others expect them to.*

**Remark 2** *Any answer that is not similar to this one should get at most 3 points. This means any definition that is logically equivalent to "a fixed point of the system"*

*If they require stability, the most they can get is 2 points.*

3. (7 points total) Define and give two examples of Public Goods. Are they rival goods or non-rival? Are they excludable goods or not excludable?

**Solution 3** *A public good is a non-rival and non-excludable good. Some examples are sunshine, national defense, the legal system, a park, etcetera.*

4. (3 points) Standard feedback questions:

- (a) Out of ten, my level of comprehension of the material covered this week is:
- (b) My favorite topic of the week was:
- (c) The topic I understood the least this week was: