

# International Economics: Quiz #1

ATC Seniors

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# Tragedy of the Commons

seek short-term gain disregarding long-term costs

Is it possible to prevent those who have not paid for it using it?

		Excludable	Nonexcludable
Does one's consumption preclude others consumption	Rival	<b>Private Goods</b> Laptop iPhone Hamburger	<b>Common Goods</b> Environment Trout in Sevan Cheating during IE exam
	Nonrival	<b>Club Goods</b> Wi-Fi Cinema Satellite TV	<b>Public Goods</b> Free-to-air TV National Defense Sanitation

# What was happening in the classroom during the quiz #1

- Most students were tirelessly coping, because:
  - As rational agents they were doing their best to maximize their current welfare.
- As human beings they prioritize the present over the future.
- As logical persons they understand that their future material well being is very weakly correlated with their current education.

# Why I wasn't intervening directly.

because

- one should always choose the least invasive policy possible.

e.g., if it is possible to get the same result without restricting the free movement of students, then one should use that less invasive method.

The course final grades will be free of plagiarism.

**BUT**

- The grades will be free of plagiarism only as much as necessary for benefit to exceed cost.

I emphasize: I will seek for benefit just to exceed cost, I will not seek to maximize the difference of benefit to cost. Because the latter I consider both unethical, and meaningless.

For the above mentioned purpose all plagiarized answers to essay questions have got zero point.

## But why

plagiarized answers have got zero point,  
if I admit that your future material well being is very weakly correlated  
with your current education?

## because

- Your intelligence, your ability to perform your duties as citizen, your ability to educate your children are extremely tightly correlated with your current education.

I used the word “unethical” on page 5 in Kantian sense:

‘So act that you treat humanity, whether in your own person or in the person of any other, always at the same time as an end, never merely as a means.’

Immanuel Kant

## Some common mistakes done in the quiz

When asked to define something, you should define the most specific way possible.

For example, you may define “a human” as “a fish”, because humans have evolved from fish.

But everybody will agree that ability for articulate speech and abstract thinking define human beings much better.

So, it is not appropriate to define Stolper-Samuelson theorem as something, which states the relationship between good and factor prices. You easily may and should be more specific.



# Some common mistakes done in the quiz

It is **not** appropriate to write.

‘as we see’

‘as can be seen’

‘as we may see’

etc.

Everything should be explicit (of course if you care about your points).

## Some definitions

International trade equilibrium implies

- (1) the world supply of each good is equal to world demand,
- (2) autarky relative prices are equalized.

You needn't define in this specific way. Your wording or structure may be completely different. But the idea should be the same.

# Some cheating techniques

When you are engaged in money forging, it is absolutely essential to make perfect copies.

But when you are cheating during the exam, it is not very smart to make a perfect copy.

