

Name: _____

Naked Economics: Assignment 4
Chapters 7-13

If needed, answer these questions on a separate paper. Do not assume the spacing between questions denotes expected length. Quality responses are always preferred to quantity.

Chapter 7: Financial Markets

1. Explain how get-rich-quick schemes violate the most basic principles of economics.
2. What advice about investing in the stock market did you find most interesting and/or useful?

Chapter 11: International Economics

3. Describe the economic theory of Purchasing Power Parity, and why it often does not hold true.
4. Explain the “dysfunctional economic relationship” between the United States and China. What are the significant risks for each side?

Chapter 12: Trade and Globalization

5. What is the “good news about Asian sweatshops”?

Chapter 13: Development Economics

6. After reading this chapter, what do you believe are the two greatest obstacles preventing poor countries from becoming rich?

Epilogue: Life in 2050

7. What economic question do you have about life in 2050? About today’s economy?