Chapter 1 Practice...

1. Which statement about scarcity is *true*?
   a. Scarcity is only a problem for underdeveloped countries.
   b. Scarcity is only a problem for idealistic people.
   c. Every person faces scarcity.
   d. All of the above are true.

2. The problem of scarcity
   a. would disappear if we did not have to make choices.
   b. arises because of limited money, time, and energy.
   c. arises because limited human expectations cannot be satisfied with available knowledge.
   d. arises because of limited money, time, and memory.

3. You can't get everything you want because you are limited by
   a. time.
   b. money.
   c. energy.
   d. all of the above.

4. The main implication of scarcity in economics is that people must
   a. make choices.
   b. be selfish.
   c. be unhappy.
   d. like money.

5. The problem of scarcity exists
   a. only when people are unemployed.
   b. only in economies with incentives.
   c. only in economies without incentives.
   d. in all economies.

6. In deciding whether to study or sleep for the next hour, you should consider all of the following *except*
   a. how much tuition you paid.
   b. how tired you are.
   c. how productive you will be in that hour.
   d. how much value you place on sleeping in that hour.

7. If business starts booming and companies compete to hire workers, the
   a. opportunity cost of upgrading to a college diploma increases.
   b. opportunity cost of upgrading to a college diploma decreases.
   c. incentive to drop out of college decreases.
   d. choice about going to college does not change as long as tuition does not change.

8. The opportunity cost of attending college
   a. is less than the money cost.
   b. depends only on what you could earn by working full-time.
   c. includes the income you could have earned working full-time.
   d. depends on the benefits of going to college.

9. In making a smart choice,
   a. the value of what you give up must be greater than the value of what you get.
   b. the value of what you get must be greater than the value of what you give up.
   c. if the value of what you give up is greater that the value of what you get, you should lower the value of what you give up.
   d. if the value of what you give up is greater that the value of what you get, you should raise the value of what you get.

10. Ayesha missed her shift at the restaurant to go to a soccer game. She paid $30 for the ticket, $20 for parking, and spent $10 on popcorn. If she had worked her shift, Ayesha would have earned $100. Her opportunity cost of attending the game is
    a. $60.
    b. $100.
    c. $150.
    d. $160.

11. Mutually beneficial gains from trade come from
    a. absolute advantage.
    b. comparative advantage.
    c. self-sufficiency.
    d. China.

12. The simplest way to calculate opportunity cost is
    a. $\frac{\textbf{Give Up}}{\textbf{Get}}$
    b. $\frac{\text{Get}}{\text{Give Up}}$
    c. Give Up — Get
    d. Get — Give Up

13. In one hour, Chloe can bake 24 cookies or 12 muffins. Zabeen can bake 6 cookies or 2 muffins. For mutually beneficial trade, Chloe should bake
    a. cookies because she has a comparative advantage.
    b. cookies because she has an absolute advantage.
    c. muffins because she has a comparative advantage.
    d. muffins because she has an absolute advantage.

14. On a graph of a production possibilities frontier (*PPF*), impossible combinations of outputs are represented by
    a. the slope of the *PPF*.
    b. points inside the *PPF*.
    c. points on the *PPF*.
    d. points outside the *PPF*.

15. If Ying can increase production of houses without decreasing production of any other product, then Ying
    a. is producing inside his production possibilities frontier.
    b. is producing on his production possibilities frontier.
    c. is producing outside his production possibilities frontier.
    d. must prefer houses to any other product.

16. All of the following are inputs *except*
    a. capital equipment.
    b. natural resources.
    c. governments.
    d. labour.

17. The players in the circular flow model include
    a. businesses, governments, inputs.
    b. households, businesses, governments.
    c. governments, input markets, output markets.
    d. governments, markets, countries.

18. In the circular flow model,
    a. businesses ultimately own all inputs of an economy.
    b. businesses are sellers and households are buyers in input markets.
    c. households are sellers and businesses are buyers in output markets.
    d. governments set the rules of the game.

19. A good economic model
    a. is easier to test than experiments in a laboratory.
    b. helps you understand or predict the economic world around you.
    c. includes as much information as possible.
    d. changes many factors at the same time.

20. Which statement is normative?
    a. You should call your mother every week.
    b. Drinking 14 beers in one hour will probably make you sick.
    c. Men live longer than women.
    d. Women live longer than men

21. Microeconomics focuses on
    a. smart choices, while macroeconomics focuses on voluntary trade.
    b. the choices of individual economic players, while macroeconomics focuses on the performance of the whole economy.
    c. the performance of the whole economy, while macroeconomics focuses on the choices of individual economic players.
    d. opportunity costs, while macroeconomics focuses on negative and positive externalities.

22. Which headline is about macroeconomics?
    a. "Consumers switch from minivans to hybrids"
    b. "Amazon fights a tax on e-commerce"
    c. "Japan's economy is still in recession"
    d. "Farmers stop using pesticides"

23. Viki paid $12 to see the new Star Trek movie. Once inside, she must decide whether or not to buy popcorn for $4. Buying the popcorn is a smart choice if Vicki gets benefits of at least
    a. $4.
    b. $8.
    c. $12.
    d. $16.

24. Before starring in *Iron Man*, Robert Downey Jr. had acted in many movies with first-weekend box office revenues averaging $5 million. *Iron Man* earned $102 million in its first weekend. The success of *Iron Man* _____ the opportunity cost of hiring Robert Downey Jr. and _____ the marginal benefit to movie producers of hiring him.
    a. decreases; increases
    b. decreases; decreases
    c. increases; decreases
    d. increases; increases
25. To make a smart economic choice, consider all of the following *except*
    a. past costs and benefits.
    b. external costs and benefits.
    c. additional costs and additional benefits.
    d. implicit costs.

Answers to Practice with Explanation

1. **c** We all have limited money, time, and energy.
2. **b** Definition.
3. **d** All limited for all people.
4. **a** Because we can't have everything we want, we must choose.
5. **d** Scarcity is a universal problem.
6. **a** Paid tuition is the same for either choice.
7. **a** Going to college means giving up a good job with a higher wage.
8. **c** Opportunity cost includes income given up and money paid for tuition.
9. **b** Additional benefits of what you get must be greater than opportunity costs of what you give up.
10. **d** Money costs ($30+$20+$10) you could have spent on something else, plus income given up ($100).
11. **b** Differences in opportunity costs are key to gains from trade.
12. **a** See formula.
13. **c** Chloe's opportunity cost of muffins (2 cookies per muffin) is lower than Zabeen's (3 cookies per muffin).
14. **d** *PPF* represents maximum possible combinations.
15. **a** With unused inputs inside *PPF*, you can increase output without opportunity cost by using unemployed inputs.
16 **c** Governments set the rules of the game — are not inputs to production.
17. **b** These players interact in input and output markets.
18. **d** Other answers would be correct if switch businesses and households.
19. **b** Good models select information to include, change one factor at a time, and are hard to test because many factors change simultaneously in the real world.
20. **a** Notice the word *should*. Other statements can be shown to be true or false.
21. **b** Definition.
22. **c** About a country's economic performance.
23. **a** Compare only additional benefits from eating popcorn to additional cost of $4.
24. **d** Because moviegoers will pay more to see Downey, movie producers will pay more to hire him.
25. **a** All other costs and benefits are part of the Three Keys.

Chapter 1 Applied...

1. Olga chooses to live at home rather than move into residence during her first year of college. She often brags about the fact that she saves a lot of money by living at home. Provide some examples of what Olga may have given up by choosing to live at home.

   Answer: Olga may be giving up: freedom; some privacy; parties at residence; nearby study partners.

2. Social activists argue that materialism is one of the biggest problems with society: If we all wanted less, instead of always wanting more, there would be plenty to go around for everyone. Do you agree with this statement? Why or why not?

   Answer: The claim that if we all wanted less, there would be plenty to go around for everyone is both true and false. If each individual had less, it is true that there could be more to go around for more people But that does not eliminate the problem of scarcity. The difficulty is with the word "plenty." Even with reduced wants, we each cannot get everything we desire and would have to make choices about what to go after and what to give up.

3. Seat belts save lives. Suppose that a city doubles the penalty for being caught driving without a seat belt to try to increase seat belt use among drivers.

   a. Use the concepts of incentives and opportunity cost to explain how this policy will influence driver behaviour.

   Answer: The increased penalty is a rise in the price (or cost) of not wearing a seat belt, which will likely motivate more individuals to wear their seat belt.

   b. Suppose the city evaluates the results of the policy and finds that the number of traffic deaths actually *increased* after the policy was introduced. Can you think of a reason for this result?

   Answer: Drivers adjust their behaviour and drive more dangerously because they think they are now safe wearing a seat belt.

4. Ashley, Doug, and Mei-Lin are planning to travel from Halifax to Sydney. The trip takes one hour by airplane and five hours by train. The air fare is $100 and train fare is $60. They all have to take time off from work while travelling. Ashley earns $5 per hour in her job, Doug $10 per hour, and Mei-Lin $12 per hour.

   Use the table to calculate the opportunity cost of air and train travel for each person. Assuming they are all make smart choices as economizers, how should each of them travel to Sydney?

   Answer: The main point is that the total opportunity cost of travel includes the best alternative value of travel time as well as the train or air fare. The total costs of train and air travel for Ashley, Doug, and Mei-Lin are calculated in the table below. On the basis of the cost calculation, Ashley should take the train, Mei-Lin should take the plane, and Doug could take either.

Traveller	**Train**	**Plane**
Ashley		
a. Fare	$ 60	$100
b. Opportunity cost of travel time at $5/hr	$ 25	$ 5
Total Cost	**$ 85**	**$105**
Doug		
a. Fare	$ 60	$100
b. Opportunity cost of travel time at $10/hr	$ 50	$ 10
Total Cost	**$110**	**$110**
Mei-Lin		
a. Fare	$ 60	$100
b. Opportunity cost of travel time at $12/hr	$ 60	$ 12
Total Cost	**$120**	**$112**

5. Vladimir loves riding the bumper cars at the amusement park, but he loves the experience a little less with each additional ride. In estimating the benefit he receives from the rides, Vladimir would be willing to pay $10 for his first ride, $7 for his second ride, and $4 for his third ride. Rides actually cost $5 each for as many rides as Vladimir wants to take. This information is summarized in the table below.

Ride	1st	2nd	3rd
Additional benefit ($)	10	7	4
Additioall cost ($)	5	5	5

a. If Vladimir chooses by comparing total benefit and total cost, how many rides will he take?

Answer: If Vladimir rides as long as total benefit is greater than total cost, he will take 3 rides.

Total benefit (cost) can be calculated by adding up the additional benefit (cost) of all rides taken. Before taking any rides, his total benefit is zero and his total cost is zero. The first ride's additional benefit is $10, which when added to 0 yields a total benefit of $10. The first ride's additional cost is $5, which when added to zero yields a total cost of $5. Total cost is less than total benefit, so Vladimir takes the first ride. For the first and second rides together, total benefit is $17, which is greater than total cost of $10. For all 3 rides together, total benefit is $21, which is greater than total cost of $15.

b. If Vladimir chooses by comparing additional benefits and additional costs for each ride, how many rides will he take?

Answer: If Vladimir compares the additional benefit of each ride with its additional cost, he will only take 2 rides. He will take the first ride because its additional benefit ($10) is greater than its additional cost ($5). After the first ride, he will still choose to take the second ride because its additional benefit ($7) is greater than its additional cost ($5). But he will quit after the second ride. The third ride would add a benefit of $4, but it costs $5, so Vladimir would be worse off by taking the third ride.

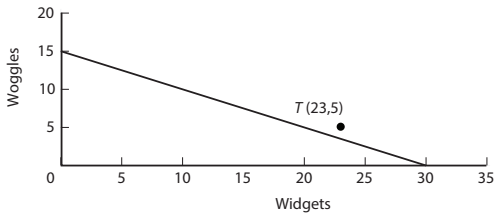
c. Is Vladimir better off by comparing total benefits and costs, or by comparing additional benefits and costs? Explain your answer behind Vladimir's smart choice.

Answer: The additional (or marginal) rule for choosing will make Vladimir better off. It would be a mistake to pay $5 for the third ride when it is only worth $4 to Vladimir. He would be better off taking that final $5 and spending it on something (the roller coaster?) that gives him a benefit worth at least $5.

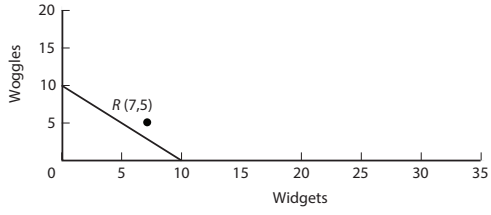
6. Tova and Ron are the only two remaining inhabitants of the planet Melmac. They spend their 30-hour days producing widgets and woggles, the only two products needed for happiness on Melmac. It takes Tova 1 hour to produce a widget and 2 hours to produce a woggle, while Ron takes 3 hours to produce a widget and 3 hours to produce a woggle.

a. For a 30-hour day, draw an individual *PPF* for Tova, then for Ron. **Answer:**

a) Tova



b) Ron



b. To start, Tova and Ron are each self-sufficient. Define self-sufficiency. Explain what the individual *consumption possibilities* are for Tova, then for Ron.

Answer: Individuals are self-sufficient if they consume only what they produce. This means there is no trade. Without trade, Tova's (maximum) consumption possibilities are exactly the same as her production possibilities—points along her *PPF*. Ron's (maximum) consumption possibilities are likewise the points along his *PPF.*

c. Who has an absolute advantage in the production of widgets? of woggles? Explain your answers.

Answer: Tova has an absolute advantage in the production of both widgets and woggles. Her absolute advantage can be defined either in terms of greater output per unit of input or fewer inputs per unit of output. A comparison of the *PPF*s in the figures above shows that, for given inputs of 30 hours,

Tova produces a greater output of widgets than Ron (30 versus 10) and a greater output of woggles than Ron (15 versus 10). The statement of the problem tells us equivalently that, per unit of output, Tova uses fewer inputs than Ron for both widgets (1 hour versus 3 hours) and woggles (2 hours versus 3 hours). Since Tova has greater productivity than Ron in the production of all goods (widgets and woggles), we say that overall she has an absolute advantage.

d. Who has a comparative advantage in the production of widgets? of woggles? Explain your answers.

Answer: Tova has a comparative advantage in the production of widgets, since she can produce them at lower opportunity cost than Ron (1/2 woggle versus 1 woggle). On the other hand, Ron has a comparative advantage in the production of woggles, since he can produce them at a lower opportunity cost than Tova (1 widget versus 2 widgets).

e. Suppose Tova and Ron each specialize in producing only the product in which she or he has a comparative advantage (one spends 30 hours producing widgets, the other spends 30 hours producing woggles). What will be the total production of widgets and woggles?

Answer: Tova will produce widgets and Ron will produce woggles, yielding a total production between them of 30 widgets and 10 woggles.

f. Tova and Ron exchange 7 widgets for 5 woggles. On your *PPF* diagrams in 6a, plot the new point of Tova's consumption, then of Ron's consumption. Explain how these points illustrate the gains from trade.

Answer: After the exchange, Tova will have 23 widgets and 5 woggles (point *T*). Ron will have 7 widgets and 5 woggles (point R). These new post-trade consumption possibility points lie outside Tova's and Ron's respective pre-trade consumption (and production) possibilities. Hence trade has yielded gains that allow the traders to improve their consumption possibilities beyond those available with self-sufficiency.

7. The best auto mechanic in town (who charges $120/hour) is also a better typist than her office manager (who earns $20/hour). The mechanic decides to do her own typing. Is this a smart choice for her to make? Explain your answer. [*Hint:* Fill in the table. The best alternative employment for the office manager is another office job that also pays $20/hour.]

Answer: The question of whether the mechanic should do her own typing is the question of whether there are gains from trade between the mechanic and her office manager when each specializes in what she does best and then exchanges in the market for the other service. Gains from trade do not depend on absolute advantage; they depend on comparative advantage. So to answer the question we need to know the opportunity costs for both the mechanic and the office manager.

For these types of questions, it is always helpful to draw a table which would look like this.

	O.C. of 1 Additonal Hour of	
	Mechanic Services	**Typing**
Mechanic	$120	$120
Office Manager	Much more than $120	$20
Comparative Advantage	Mechanic	Office Manager

For the mechanic, the opportunity cost of spending one hour repairing cars is giving up working an hour repairing a different car, for which she would also earn $120. The opportunity cost for the mechanic of spending one hour typing is the $120 she could have earned repairing cars. Opportunity cost is the cost of the best alternative given up ($120 as a mechanic versus $20 as a typist).

For the office manager, to even begin to provide mechanic services, she would have to retrain as a mechanic, which would have a cost far greater than $120. And you are told that her opportunity cost of doing one hour of typing is another office job also paying $20/hour.

If we compare opportunity costs — reading down each column — for mechanic services, the mechanic has a lower opportunity cost ($120), so she has a comparative advantage in providing mechanic services. For typing, the office manager has a comparative advantage in providing typing services ($20 is lower than $120). So there are gains from trade if the mechanic specializes in repairing cars and the office manager specializes in typing. So the auto mechanic should not do her own typing.

8. Classroom Game – Is Trade Mutually Beneficial?

Before game starts, Instructor asks class, "Why do people trade?" Trade includes trading money for a product or service. Write answers on the board.

Every student should bring to class one or more small items they no longer want, or small candies.

Instructor gives students the opportunity to trade. No one is required to trade. Allow 5-10 minutes for trades. Students may trade more than once. At the end of trading, here are discussion questions for the Instructor to ask.

a. How many students made a trade?

Answer: Responses will vary.

b. For anyone who made at least one trade, "Why did you decide to trade?"

Answer: Responses should point to the idea that the trades made them better off because they preferred what they got to what they gave up.

c. Of those who made trades, how many feel better off as a result of the trade(s)?

Answer: Generally, everyone who traded should be better off. Since trading was voluntary, if they did not expect to be better off, they should not have traded. This is the major point of this activity: Voluntary trade makes both parties who traded better off. Make sure this point is clear before going on.

d. If anyone who trades says she or he is not better off, please explain why.

Answer: Sometimes students will say they thought they were trading for something better than what they actually got. Explain that this is a problem of poor information but not a problem of trading per se. Sometimes students will say they felt sorry for someone who didn't have as much as they did; so to help this person, they made a trade that caused them to be worse off. Explain that they probably feel better off as a result of helping others, so they have still gained. These situations do not contradict the point of the activity.

e. Why did some students decide not to trade?

Answer: Some students may say they were happy or satisfied with what they had and didn't want what others were willing to trade. This demonstrates that voluntary exchanges stop when both sides do not expect to gain. Some students will say they were not able to get what they wanted. However, everyone who does decide to trade is better off to some degree or they wouldn't have voluntarily traded.

f. Did the trading results support or disprove the reasons on the board about "Why do people trade?"

Answer: Several students probably made numerous trades because they continued to become better off with each trade.

g. What conclusions can you draw from this game?

Answer: Answers will vary but should include some mention of the gains from trade and the concept that both sides benefit and no one loses.

9. If you are trying to decide whether to buy a car, what are the most important factors to focus on when making your decision? What are some of the factors that you ignore, or leave out of your decision? Explain how your thinking resembles an economic model.

Answer: Answers will vary, but should include some of the following:

- Factors to focus on include: your savings, expected income, payment costs, upkeep costs, other debts, current transportation costs.
- Factors to ignore include: the weather in Costa Rica, the probability of the Leafs winning the Stanley Cup, who is the Prime Minister of Canada.

A model is a simplified representation of the real world, focusing attention on what's important for understanding a specific idea or concept. The factors to focus on are important for understanding a smart choice about buying a car. The model is useful because it leaves out unnecessary information.

10. Answer these questions about the circular flow model.

    a. In input markets, who are the sellers and who are the buyers? Start at the top of the circular flow model and explain the sequence of selling and buying in input markets.

    Answer: In input markets, households are sellers and businesses are buyers. Households sell inputs like labour to businesses, in exchange for money.

    b. In output markets, who are the sellers and who are the buyers? Start at the bottom and explain the process of selling and buying in output markets.

    Answer: In output markets, businesses are sellers and households are buyers. Businesses sell products and services, which household can buy with the money earned in input markets.

    c. When one "trip" around the circle has ended:

    i. what have households received?

    Answer: Households have the products and services they need to survive.

    ii. what do business end up with?

    Answer: Businesses end up with the money.

    iii. how do these end points set up the next "trip" around the circular flow?

    Answer: Once households consume the products and services (like food), they go back to selling more inputs. Businesses have the money to start the circle of exchanges all over again.

    d. Governments enforce property rights as one of the "rules of the game." What happens to incentives to trade if there were no property rights? Illustrate your answer by picking any exchange/trade and describe what would happen without property rights.

    Answer: Imagine that you operate a car-detailing business and have just finished a beautiful and time-consuming job on a 2017 Honda Acura. The owner of the car comes along, says thanks, and drives away without paying. If no laws protected you against theft, what incentive would you have to continue your business? While this example may sound outrageous, it's not much different from the case of a band that produces an album for sale, only to have it downloaded for free without the band or the record company being paid. Without property rights, most of our time and energy would have to go into protecting our property, rather than producing products or services.

11. Identify each statement below as either positive or normative. If it is positive, rewrite it so that it becomes normative. If it is normative, rewrite it so that it becomes positive. For each positive statement, explain how you might test to see if it is true (matches the facts) or false.

    a. A government tax on cigarettes will reduce sales of cigarettes.

    Answer: A government tax on cigarettes will reduce sales of cigarettes. (Positive)
    Test by measuring the quantity of cigarettes sold before the tax and after the tax.
    The government should tax cigarettes to discourage smoking. (Normative)
    There are other ways to discourage smoking, like making cigarettes illegal, or negative advertising campaigns. There is no simple test that will get all people to agree on the best policy.

    The word "should" usually is an indication of a normative statement based on a value judgement.

    b. The Government of Canada should raise taxes to reduce the deficit.

    Answer: The Government of Canada should raise taxes to reduce the deficit. (Normative)
    If the Government of Canada raises taxes, that will reduce the deficit. (Positive)

    Test by measuring the deficit before the tax increase, and after the tax increase. Of course, that test is difficult because other factors (like changes in government spending or if the economy goes into a recession and tax revenue decrease) might also affect the deficit. But in principle, if you could control all other factors, there is a measurable test.

c. Imports from China are eliminating jobs in Canada.

Answer: Imports from China are eliminating jobs in Canada. (Positive)
Test by measuring employment in Canada before and after trade with China. Again, difficult to do in practice because so many other economic factors change over time. But in principle, if you could control all other factors, there is a measurable test.

The Government of Canada should stop imports from China to save Canadian jobs. (Normative)

d. Governments should impose rent controls to create more affordable housing.

Answer: Governments should impose rent controls to create more affordable housing. (Normative)
Notice the word "should."
Rent controls will result in more affordable housing. (Positive)
Test by measuring rents and the quantity of rental housing available before and after rent controls.

12. List the Three Keys to smart choices, and highlight the most important words in each key.

Answer:

Key 1: Choose only when additional benefits are greater than additional opportunity costs.
Emphasize opportunity costs.

Key 2: Count only additional benefits and additional opportunity costs.
Emphasize the word additional which is the same as marginal.

Key 3: Be sure to count all additional benefits and costs, including implicit costs and externalities
Emphasize what counts as benefits and costs – implicit costs and externalities, which are less obvious costs that you must look carefully for.

13. Highway 407 ETR in Toronto is a toll road that uses transponders to keep track of how many kilometres you drive on it, and then sends you a monthly bill. Highway 401 runs parallel to Highway 407 and is free. Why do drivers voluntarily pay the tolls? (Use opportunity cost in your answer.) Suppose the government could calculate the cost per kilometre of the pollution damage from your driving, and send you a similar monthly bill. How might that additional cost affect your decision to drive?

Answer: Given a choice between a free road and a toll road, drivers will be willing to pay the toll if the value of the saved time from the less congested toll road (additional benefit) is worth more to them the cost of the toll (additional cost). The opportunity cost of any choice is the best alternative you give up. So by taking the toll road, you are giving up the cost of the toll, but you are getting a savings in time. By taking the free 401 Highway, you save the cost of the toll (your "get") but you are giving up some of your time that could have been saved on toll Highway 407. You smart choice depends on the value of your saved time compared to the cost of the toll.

If you received a monthly bill for the pollution damage from your driving, that increases the additional costs of driving. If the benefits from driving remain the same, the additional costs will lead some motorists to drive less – to choose public transit instead.

14. The questions below are about differences between microeconomics and macroeconomics.

a. Fill in the blanks.

Answer: **Macroeconomics** analyzes the performance of the whole Canadian economy and the global economy, the combined outcomes of all individual microeconomic choices.

Answer: **Microeconomics** analyzes the choices made by individuals in households, individual businesses, and governments, and how those choices interact in markets.

b. For each of the following media headlines, circle whether it is about microeconomics, macroeconomics, or if you are unsure which. Give a one-sentence explanation of your answer.

i. "Will Mobile Phone Rates Fall as Shaw Buys Wind Mobile?"

Answer: **Micro**

ii. "Beyond Pricing Startup Helps AirBnB Homeowners Boost Revenues from Their Rentals."

Answer: Micro

iii. "Loonie Takes Biggest Tumble in 3 Months after Bank of Canada Cuts Outlook for Growth."

Answer: Macro

iv. "Why Pricing Traffic Congestion is Critical to Beating It."

Answer: Micro

v. "Government Deficit Fighting Not as Important as Investing in Infrastructure."

Answer: Macro

vi. "Inflation Has Not Yet Followed Lower Unemployment in America."

Answer: Macro

vii. "Higher Alberta Minimum Wage Benefits Both Workers and Employers"

Answer: Micro / Macro / Unsure