

# Midterm Review

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1. How to read a graph
2. How to calculate GDP and GDP growth rate
3. What transfer can be seen as a “market”
4. Economic rent
5. Comparison between technologies, i.e., inferior/dominated
6. Isocost line and cost-revenue analysis
7. Production function

1. Difference & calculation of opportunity cost and economic cost
2. Substitution and income effect on wage change
3. Trade off on free time and consumption
4. Indifference curve

1. Relationship between market and price
2. Calculation on monetary utility by  $\text{wage} \times \text{hours worked}$ , adjust according to description
3. Reservation wage
4. Calculation on the economic rent of employment

1. MRS and MRT for profit-maximizing firm
2. AC curve, Isoprofit curve and MC curve
3. (dis)economies of scale
4. AC curve, Isoprofit curve and MC curve
5. Calculation of TC, AC and MC.

1. differentiated products  $\Rightarrow$  market power  $\Rightarrow$  markup
2. How to formulate from best response curve to wage-setting curve
3. Price-setting curve and its interpretation
4. Firm's isoprofit curve facing Economy-wide demand
5. Best response curve and its interaction with isocost curve

1. Intertemporal substitution decision
2. Graphical representation of intertemporal substitution
3. Effect of change in interest rate and its effect on intertemporal consumption bundle
4. Money and central bank
5. Difference between broad money and legal tender

1. Relationship between unemployment rate and GDP growth
2. The function of financial system
3. Volatility of investment v.s. consumption
4. CPI
5. How to measure GDP