Solution will be posted when I return but before the next quiz.

1. Do problem 2 of Chapter 11 on p. 437, 4/e. This problem is not available in the 3/e.
   Illustrate your answer with a diagram.

2. Do problem 4 of Chapter 11, on pages 437, 4/e (problem 3 of Chapter 10 in 3/e, p.401).
   Illustrate your answer with the labor market, the output market, and the money market equilibrium diagrams. Explain your answer with economic reasoning, i.e., do not simply say something like “the labor demand curve shifts to the right at the same time the output supply curve shifts left”. Explain why the labor demand curve shifts right and why the output supply curve shifts left!

   Illustrate your answer with the labor market, the output market, and the money market equilibrium diagrams.