What is the opportunity cost in this decision?

(a) $30 million.
(b) $35 million.
(c) $25 million.
(d) $30 million.

Which option should RJR Nabisco undertake?

1. Manufacture both cookies and chips and obtain a profit of $30 million.
2. Manufacture chips alone and obtain a profit of $25 million.
3. Manufacture cookies alone and obtain a profit of $35 million.

RJR Nabisco has three alternatives for manufacturing snack foods:

1. Snack foods.
2. The branch of economics that deals with the gross domestic product, interest rates, and the unemployment rate is **macro** economics.

3. Concern is expressed on the part of the current administration about what should be the optimal tax rate for those households who make more than $250,000 per year. This issue corresponds to what branch of economics? **normative economics**

4. In recent times, the price of gasoline has risen dramatically. Economic analysts are focusing on questions concerning the likely impacts of this price increase on the demand for gasoline. This issue corresponds to what branch of economics? **positive economics**
The magnitude of the national debt is on the order of $10 trillion.

7. The Fallacy of Composition refers to the idea that an individual action, when taken by a large number of people, is different than if it were taken by one person.

6. Economic reasoning that is true for one individual but not for society as a whole is

5. The Food and Tobacco Industry today accounts for 16 to 20 percent of GDP in the United States? True or False?