

University of North Georgia Press—Spring 2019 Intern Application

Applicant Information

Applicant Name (First, Middle Initial, Last):

Student Number:

Student Email Address:

Class Year:

Expected Graduation Date:

Tell Us About Yourself (400 words max):

Spring 2019 Class and Work Schedule

Editing Test Part 1—Use Track Changes to show your work

Marginal Decisions

Much of the time we do not choose all or nothing.

- To eat pizza or not
- To buy gasoline or not.
- To study or not

We choose how much of something to do.

- How much pizza to eat.
- How much gasoline to buy
- How much time to devote to study

For these decisions, called "marginal", or "at the margin," we need the third characteristic of value, developed in Thinking Exercise 2. Subsequent units of the same good have less value. The **Marginal Value** of something is the value of the individual units of that something. To speak with precision, we usually speak of the marginal value of a particular unit -- like the 21st gallon of gas you use this month.

Entries in the following table are individual slices of pizza- the 1st, 2nd, 3rd, etc. **Not** 1 slice, 2 slices, 3 slices, etc. The values are measured as in Thinking Exercise 3 –what a person is willing to pay for the individual slice. Since these are values for individual slices, we call them marginal values. By the third characteristic of value these marginal values fall as more pizza is consumed.

Slice	Marginal Value
1st	\$4.00
2nd	\$3.50
3rd	\$3.00
4th	\$2.50
5th	\$1.50
6th	\$.50
7th	-\$1.50

How much pizza should this consumer eat?

Some people respond, "It depends on how hungry the person is."

But they're wrong in that. Those values in the table tell us precisely how hungry the person is, if we understand what marginal value is. So how much should the consumer eat?

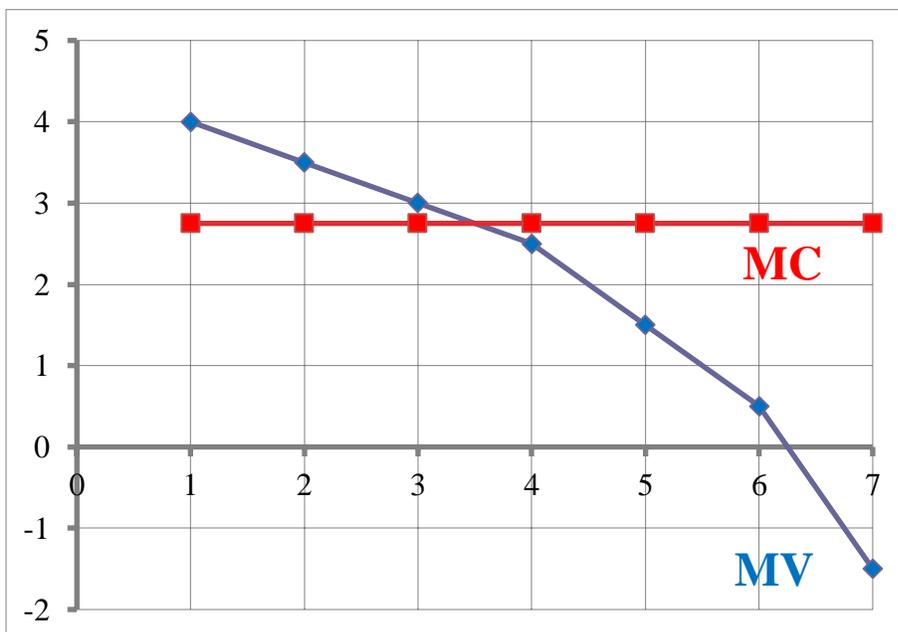
This is a trick question. This individual is willing to pay \$4 for the 1st slice of pizza. But how much *must* they pay? That is, what is the *cost* of a slice of pizza? That has not been given yet.

We are going to act as if we can measure the cost in dollars--so the consumer is able to hand over dollars and get slices of pizza. For instance, this example would be more complicated if we were worried about how much time it took to eat. So the cost of the pizza to the consumer in this example is the price. We will relax this simplifying assumption later.

Suppose the price is \$2.75 per slice. Should the consumer eat the first slice? The second slice? The third slice? Since this person is willing to pay \$4.00 for the first slice (they're pretty hungry, and maybe the slices are pretty big) if the price is \$2.75, then they're willing to buy the first slice. And since this person is willing to pay \$3.50 for the second slice, if the price is \$2.75, then they're willing to buy the second slice. We consume each unit for which the marginal value is at least as great as marginal cost--that is, we use **marginal analysis**. Using this method, we can see that the consumer should buy the third slice, too. The most they're willing to pay for the fourth slice is \$2.50, but they'd have to pay \$2.75. So they would not buy the fourth slice. So the answer to the question is, "if the price were \$2.75, this consumer would buy three slices."

Some people object that the consumer should stop after the first slice, since it is the most valuable. But as long as the consumer is willing to pay more than what they have to pay, they're willing to buy more.

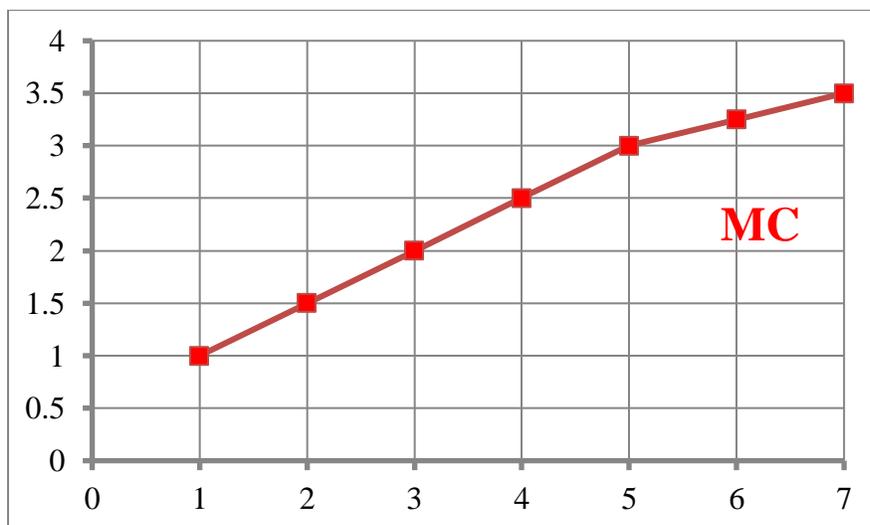
What if the pizza were free? Many people respond that "they should eat until they get full." But using the values above, we can figure out what that number is. Free pizza means the price is \$0. And that means this person will eat six slices. Ponder this question: "Is there any way to get this consumer to eat the seventh slice?" We can graph the relationship.



From this, we can see that the blue values of pizza are greater than the red costs of pizza for three units, but not for the fourth. If the price of pizza fell, the red line would move downward and the two lines would intersect at a higher number of slices. If the red line moves upward, the opposite happens. If this consumer could buy partial slices, they would buy part of the fourth slice. And at CiCi's pizza, where you pay a flat fee to eat all the slices you want, the red line would be on the horizontal axis. So this consumer would eat six slices and part of a seventh.

The True Shape of Marginal Costs I -- To The Consumer

We previously assumed that costs to the consumer were the same as price. But we can do better than that by realizing that every time a consumer puts another dollar toward pizza consumption, the consumer takes that dollar from consumption of something else. And it is clear that the consumer takes the dollar from its least valuable use--a dollar spent on a Redbox DVD, not a dollar that must be spent on rent. Then, if the consumer spends a second dollar on pizza, the consumer takes that dollar from the *second* least valuable use for the dollar. So as the consumer spends more on pizza, the value that is sacrificed must rise. That is, as the consumer spends more on pizza, the cost, in terms of the value of goods given up, must rise. You may have noticed that this is another example of the optimal arrangement principle.



Thinking Exercise 1.6: Study Time

- What are the benefits of an hour of study? Of a second hour of study? Of a third hour?
- As hours of study rise, what happens to the value of the marginal study hour?
- Explain what is meant by the cost of study.
- As hours of study rise, what happens to the cost of the marginal study hour?
- Draw a graph and address this statement: "A student can never study enough."

Editing Test Part 2

In each of the following sentences, select the choice which is correct according to *The Chicago Manual of Style*.

- _____ 1. Smith recently received his (a) Master's Degree. (b) master's degree. (c) M.A. (d) MA
- _____ 2. Jennie Acker, (a) editor, (b) Editor, (c) Ed., (d) ed., announced the changes.
- _____ 3. (a) Ex-Mayor John Babcock
(b) ex-mayor John Babcock
(c) ex-Mayor John Babcock
- _____ 4. Pope John Paul II delivered the traditional Christmas message. Next week, (a) the pope
(b) the Pope (c) Pope John Paul II (d) the Pontiff will travel to Africa.
- _____ 5. Labor Day falls on (a) September 4 (b) September 4th (c) Sept. 4 (d) Sept. 4th this year.
- _____ 6. (a) the Sun
(b) the sun
- _____ 7. (a) junior class
(b) Junior class
(c) Junior Class
(d) junior Class
- _____ 8. (a) Ph.d.
(b) PH.D.
(c) Ph.D.
(d) ph.d.
- _____ 9. Qualified students may apply to participate in an off-campus mentorship program through the (a) TAG (b) Talented and Gifted (TAG) (c) Talented and Gifted program.
- _____ 10. He was cited for traveling 65 (a) MPH (b) M.P.H. (c) mph (d) m.p.h.