

Freakonomics Chapter 1 Questions

Name:

Please answer the following questions in complete sentences. Please quote from the text in order to support your answer.

1. Explain how the imposition of a fine for tardy parents at a daycare center may have altered the motivations of these parents.

2. What is an incentive? How does it relate to the study of economics?

3. Give an example in your life where moral, social or economic incentives are present? It may be an example that has more than one. Which do you think is the stronger incentive?

4. Why did the fine not stop kids from getting picked up on time?

5. Describe some ways in which a school teacher might be able to improve the scores of his or her students on a standardized test.

6. Explain how Levitt devised a means of examining student test scores to uncover evidence of cheating teachers. Explain also why Levitt's analysis of the data constituted evidence, but not proof, of cheating.

7. Explain what incentives, if any, a university might have to artificially improve the test scores and grades of its athletes.

8. Describe what it means for a Japanese sumo wrestler to be "on the bubble" and what incentives this wrestler and his opponent may have to "throw" a wrestling match.

9. How did Levitt construct a means of detecting evidence of cheating among Japanese sumo wrestlers? What evidence does he offer in support of his claim that some Japanese sumo wrestlers probably “throw” some of their matches?

10. How did Paul Feldman set up his bagel business in the Washington, D.C. area? How did it differ from most business models?

11. What do the authors of Freakonomics conclude from an analysis of the Paul Feldman’s bagel sales data? Do these conclusions match with economists’ expectations of human behavior?

12. Based on what can be learned from a study of sales data of Paul Feldman’s bagel business, what variables affect the incidence of theft in an office setting?