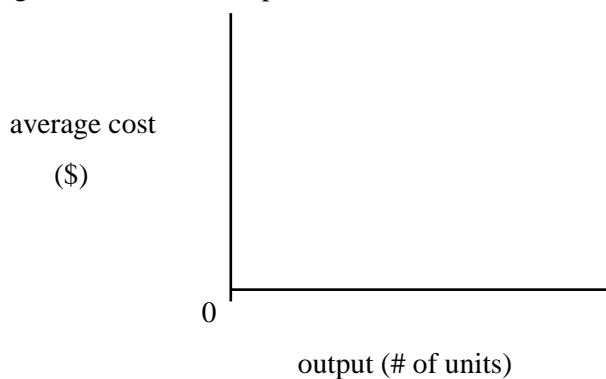


NAME: \_\_\_\_\_



# ECONOMICS U.S.A.: THE FIRM

1. Why did Coca-Cola switch to high-fructose corn sweetener?
2. What competitive pressure existed to force all companies in the soft drink market to switch to high-fructose corn sweetener?
3. Why did Studebaker find it more difficult to make annual model changes in its cars than did the “Big Three?”
4. Explain the role of “economies of scale” in the demise of Studebaker.
5. Why did Studebaker try to save itself by merging with Packard?
6. Draw a typical average cost curve in the space below.



7. What tool enabled the Asbury Park Press to survive and profit during the late 1970s and early 1980s?
8. How did the techniques which you identified in #7 reduce the cost of production for the Asbury Park Press?
9. Name three different ways in which a business firm may reduce its average cost of production.