

# Questions 1 and 2

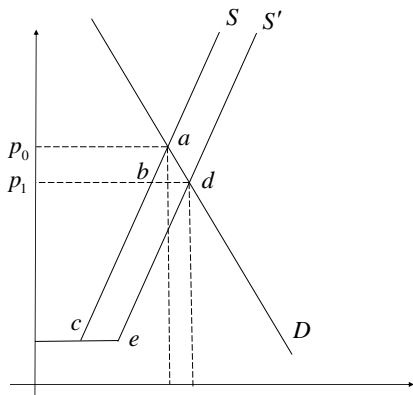
- 1 The most recent increase in ethanol can be traced to
  - a Agricultural Act of 2014
  - b Food, Conservation, and Energy Act of 2008
  - c Energy Independence and Security Act of 2007
  - d None of the above
- 2 Before 2012, ethanol use was increased by
  - a Volumetric Ethanol Excise Tax Credit
  - b Renewable Identification Numbers (RINs)
  - c Direct purchases of ethanol by the federal government
  - d None of the above

- 3 Graphically depict the effect of the Volumetric Ethanol Excise Tax Credit on the corn market and the consumer market for fuel.
- 4 A RIN (Renewable Fuel Identification Number)
  - a Links the production of ethanol with the Renewable Fuel Standard (RFS)
  - b Is generated by the importation or refining of gasoline through the Renewable Volume Obligations (RVO)
  - c Is a derivative instrument (i.e., derives its value from the matching of the RVO with ethanol production)
  - d All of the above

# Questions 5 and 6

- 5 Different, but related, RIN markets exist for
- a Cellulosic Biofuels
  - b Advanced Biofuels
  - c Ehanol
  - d All of the above
- 6 Agricultural Research and Development increases agricultural productivity by
- a Increasing the amount of output that can be produced from a given bundle of inputs
  - b May be the result of decreased average technical inefficiency
  - c Represents movement along a fixed production function
  - d a and b above

# Gains to Agricultural Research & Development



## Questions 7 and 8

- 7 Under typical assumptions, investment in Agricultural Research & Development causes the supply curve to shift outward from  $S$  to  $S'$ . The producer gains associated with this shift are
- a  $-p_0abp_1$
  - b  $bdec$
  - c  $p_0adp_1$
  - d a plus b
- 8 The consumer gain associated with increased agricultural productivity is
- a  $-p_0abp_1$
  - b  $bdec$
  - c  $p_0adp_1$
  - d a plus b

# Questions 9 and 10

- 9 How can we determine whether Agricultural Research and Development is a good deal from a societal point of view?
- 10 The largest input subsidies in the United States have probably been
- a Water subsidies through the development of irrigation systems
  - b Capital for commercial agriculture
  - c Fertilizer
  - d a and b above