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ECON 2106 EXAM REVIEW PRINCIPLES OF MICROECONOMICS

Microeconomics

Think at the margin.

Concept review, worked examples, practice sets and two full-length mock exams

Michael Rainwater · Rainwater Private Tutoring · Athens, Georgia

2026–27 Edition

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Microeconomics: ECON 2106 Exam Review
2026–27 Edition

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How to Use This Book

ECON 2106 exams are built mostly from multiple-choice questions on definitions, graphs and small tables. This book is built to match that.

What Is in Each Chapter

- **Concept sections.** The idea first, then the rule, then an example. Terms are defined in the sidebar where they first appear.
- **Worked examples.** One for each kind of question an exam asks. Every example starts by naming what is asked and ends with a check.
- **Choosing the Method.** A table that matches the wording of a question to the first move.
- **In Class at UGA.** How the chapter is presented in lecture at UGA, where that differs from the textbook or adds to it.
- **Common Slips.** The mistakes that cost the most points, each with its fix.
- **Practice sets.** Three sets of exam-style questions. The last third of each set is harder because the steps are layered.
- **A review set.** Fifteen mixed questions from the whole chapter.
- **Checkpoints.** After Chapters 4, 8 and 12, sixteen questions across the four chapters before.

A Plan That Works

- Read a chapter's sections with a pencil. Redraw every graph yourself before reading on.
- Work each example before reading its steps.
- Do the practice sets timed, at 90 seconds a question. Mark the ones you guessed.
- Check your answers against the key. For each miss, write down which choice you picked and why.
- Take the first mock exam in one sitting. Use the score guide to pick the chapters to revisit, then take the second.

Three Moves for Every Graph Question

Move	What it catches
1. Name the curve that moves.	Shifting demand when the event changes supply, or the reverse.
2. Draw it before reading the choices.	Choices written to match the picture most people imagine wrong.
3. Read price and quantity off the axes.	Confusing a shift of the curve with a movement along it.

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Chapters and Your Textbook

The chapters follow the order most sections teach. The table lists where each one sits in the two textbooks used most often for this course.

	Chapter in this book	Krugman and Wells	Mankiw
1	First Principles and Trade-offs	1, 2	1, 2, 3
2	Supply and Demand	3	4
3	Consumer and Producer Surplus	4	7
4	Price Controls and Quotas	5	6
5	Elasticity	6	5
6	Taxes	7	6, 8
7	Decision Making	9	13
8	Inputs and Costs	11	13
9	Perfect Competition	12	14
10	Monopoly	13	15
11	Imperfect Competition	14, 15	16, 17
12	Externalities and Public Goods	16, 17	10, 11

Krugman and Wells chapter numbers follow the fourth through sixth editions of *Microeconomics*. Mankiw numbers follow recent editions of *Principles of Microeconomics*. Check your syllabus for which chapters your section covers.

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1 First Principles and Trade-offs

In February 1942 the last civilian car rolled off an American assembly line, and no new ones were built until 1945. The factories had not closed. They were making tanks and aircraft. A country cannot put the same steel and the same workers into both, so getting more of one meant giving up the other. Every topic in this course starts from that trade-off.

1.1 Scarcity and Opportunity Cost

A **resource** is anything that can be used to produce something else: land, labor, capital and time. Resources are **scarce**. Because they are scarce, every choice to make or do one thing is a choice not to make or do something else.

The **opportunity cost** of a choice is what you must give up to get it. It counts money you pay and anything else you lose, such as time you could have spent earning a wage. It counts only the next best alternative, not every alternative.

When output is listed in a table, the opportunity cost of one good is a ratio.

RULE Opportunity cost of one unit of a good = what is given up ÷ what is gained.

Scarcity
There are not enough resources to produce everything people want.

Opportunity cost
What you give up to get something: the value of the next best alternative.

EXAMPLE 1.1

A shop can make 40 sandwiches or 20 smoothies in an hour, or any mix along a straight line between them. What is the opportunity cost of 1 smoothie?

What is asked	The sandwiches given up for each smoothie gained.
Given up	Going from all sandwiches to all smoothies gives up 40 sandwiches.
Gained	The same move gains 20 smoothies.
Divide	$40 \div 20 = 2$ sandwiches for each smoothie.
Check	Flip it for the other good: 1 sandwich costs $20 \div 40 = \frac{1}{2}$ smoothie. The two costs are reciprocals.
Answer	**2 sandwiches**

Counting the cost correctly

Three habits keep opportunity cost straight. First, count what you give up whether or not you pay for it. A student who spends a year in college gives up tuition and also the wages a full-time job would have paid, and the wages are usually the larger part. Second, count only

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the best alternative. If an hour could have gone to a $15 shift or to a nap you value at $5, the cost of the hour is $15, not $20. Third, leave out anything you would pay either way. Rent is not a cost of going to college if you would be paying rent whether or not you enrolled.

This is also why something can be free and still cost you. A free concert takes an evening. If the evening had another use, the concert has a cost.

Two ways a table gives the numbers

Exam tables come in two forms, and the ratio is built a little differently in each.

- **Output per hour.** "Can make 40 sandwiches or 20 smoothies." The two numbers are the two ends of the trade-off, so 1 smoothie costs $40 \div 20 = 2$ sandwiches.
- **Combinations.** Each row is one bundle the economy can produce. Take two rows and use the changes: the fall in one good divided by the rise in the other.

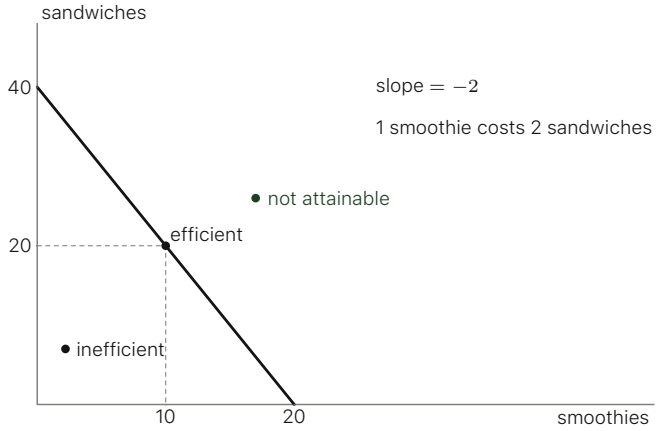
In both, the good being priced goes on the bottom of the fraction, and the answer comes out in units of the other good.

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1.2 The Production Possibility Frontier

The **production possibility frontier**, or PPF, shows the trade-off between two goods. Each point on the line is the most of one good that can be made for a given amount of the other.

Production possibility frontier
The combinations of two goods an economy can produce when it uses all of its resources efficiently.



A straight-line PPF. The slope is the opportunity cost, and it is the same everywhere on the line.

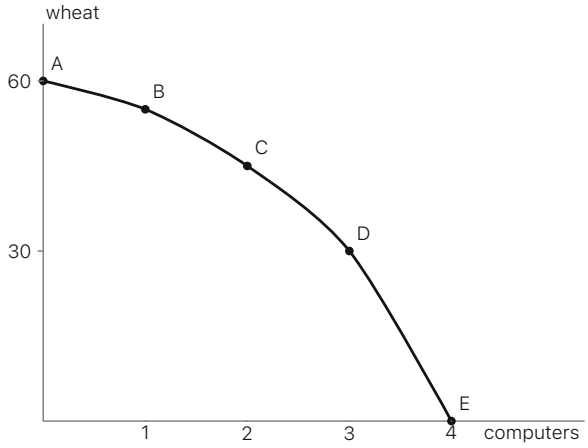
Three kinds of points matter.

Efficient
No way to make more of one good without making less of the other. Every point on the PPF.

- **On the frontier.** Production is **efficient**. All resources are in use.
- **Inside the frontier.** Production is inefficient. Some resources are idle or badly used, so more of both goods is possible.
- **Outside the frontier.** Not attainable with today's resources and technology.

Constant and increasing opportunity cost

A straight PPF means the opportunity cost never changes. Most PPFs bow outward instead. Resources are not equally good at making both goods, so the first units of a good use the resources best suited to it and cost little. Later units pull in resources that were better at the other good, and each one costs more.



A bowed-out PPF. Each added computer costs more wheat than the one before.

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EXAMPLE 1.2

An economy can produce these combinations. What is the opportunity cost of the third computer? Of moving from B to D?

Combination	A	B	C	D	E
Computers	0	1	2	3	4
Wheat (tons)	60	55	45	30	0

What is asked Wheat given up for specific computers.

Third computer The third computer is the move from C to D. Wheat falls from 45 to 30, so it costs 15 tons.

B to D Wheat falls from 55 to 30. Two computers cost 25 tons.

Check Costs per computer are 5, 10, 15, 30. They rise, which is what a bowed-out PPF means.

Answer **15 tons of wheat; 25 tons of wheat**

Growth

More resources or better technology shift the PPF outward. If the improvement helps only one good, the PPF swings out along that good's axis and stays put on the other.

Economic growth
An increase in what the economy can produce. The PPF shifts outward.

Reading the frontier

The frontier answers four kinds of questions.

- **What does one more unit cost?** Move along the frontier and read how much of the other good is lost. On a straight line that is the slope. On a bowed line it depends on where you start, and it rises as more of the good is made.
- **Is this point possible?** On the line or inside it, yes. Outside it, no.
- **Is this point efficient?** Only on the line. Inside it, the economy could have more of one good without giving up any of the other, so the opportunity cost of that extra output is zero.
- **What changed?** A move along the line is a different choice made with the same resources. A move from inside to the line is idle resources going back to work. A shift of the line is growth.

The frontier does not say which point is best. That depends on what people want. It shows only what is possible.

Why the frontier bows

Take a country that makes wheat and computers. Some of its land is rich farmland far from any factory, and some of its workers are engineers. To make the first few computers it moves the engineers, who were poor farmers anyway, so little wheat is lost. To make the last few it has to pull farmers off the best land, and each computer now costs far more wheat. The same story runs in the other direction for wheat. Rising cost as more of a good is made is called **increasing opportunity cost**, and the bowed shape is how it looks on a graph.

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1.3 Comparative Advantage and Trade

A producer has an **absolute advantage** in a good if it can make more of it than another producer with the same resources. Absolute advantage does not decide who should make what.

Absolute advantage
Being able to produce more of a good with the same resources.

A producer has a **comparative advantage** in a good if its opportunity cost of making that good is lower. Each producer has a comparative advantage in something, even a producer that is worse at everything.

Comparative advantage
Having the lower opportunity cost of producing a good.

RULE Specialize by comparative advantage, not absolute advantage. Then trade.

EXAMPLE 1.3

In one hour Ana can make 8 tacos or 4 burritos. Ben can make 6 tacos or 2 burritos. Who has the comparative advantage in each good, and what trade helps both?

What is asked	The lower opportunity cost for each good, then a price between the two costs.
Absolute	Ana makes more of both, so she has the absolute advantage in both. Set that aside.
Burrito cost	Ana: $8 \div 4 = 2$ tacos. Ben: $6 \div 2 = 3$ tacos. Ana's is lower.
Taco cost	Ana: $\frac{1}{2}$ burrito. Ben: $\frac{1}{3}$ burrito. Ben's is lower.
Trade	Ana makes burritos and Ben makes tacos. Any price between 2 and 3 tacos per burrito leaves both better off.
Check	One person cannot have the comparative advantage in both goods, because the two costs are reciprocals.
Answer	**Ana in burritos, Ben in tacos; 1 burrito for between 2 and 3 tacos**

Why trade helps both sides

Suppose Ana gives up 2 tacos for each burrito she makes and Ben gives up 3. Burritos are cheaper for Ana to make. If Ben wants a burrito, making it himself costs him 3 tacos. If Ana makes it and he pays her anything less than 3 tacos, he comes out ahead. Ana comes out ahead if he pays more than the 2 tacos it cost her. At any price between 2 and 3 tacos, both end up with more than they could have had alone.

Nothing in that argument depends on who is faster. Ana could be faster at both goods and the trade would still pay, because what matters is what each one gives up. And two producers cannot both have the lower cost of the same good. If Ana's cost of a burrito is lower than Ben's, her cost of a taco is higher, since each cost is the reciprocal of the other.

The steps, in order

1. For each producer, find the opportunity cost of one good. Flip it to get the cost of the other good.
2. Give each good to the producer with the lower cost. That producer has the comparative advantage.
3. Each producer specializes in that good.

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4. They trade at a price between the two opportunity costs. That range is the **terms of trade**.

The same steps work for two people, two firms or two countries.

1.4 How Economists Reason

Four ideas about individual choice run through the course.

- Resources are scarce, so choices must be made.
- The true cost of something is its opportunity cost.
- "How much" decisions are made at the margin, by comparing the benefit and cost of one more unit.
- People respond to incentives. They take opportunities to make themselves better off.

Marginal decision
A choice about doing a little more or a little less of something.

A **positive** statement describes how the world works and can be checked against facts, whether or not it turns out to be true. A **normative** statement says what should happen and rests on values. "A higher minimum wage reduces teen employment" is positive. "The minimum wage should be higher" is normative.

Positive and normative
Positive statements describe what is. Normative statements say what ought to be.

Economic models simplify on purpose. They hold everything else constant so that one relationship can be seen clearly. This is the *other things equal* assumption.

Thinking at the margin

A marginal decision compares one more unit with what that unit costs, and ignores the units before it. An airline about to close the door on a flight with an empty seat should sell the seat to a standby passenger for almost any price above the cost of carrying one more person, which is a snack and a little fuel. The average cost of a seat, which includes the plane and the crew, does not matter, because those are paid whether or not the seat is filled. Chapter 7 turns this into a rule.

Incentives

When the benefit or cost of an action changes, people change what they do. A higher price of gasoline leads people to drive less and to buy smaller cars. Most predictions in this course come from asking how an event changes someone's incentives.

Telling positive from normative

Look for words such as should, ought, fair, too high and too low. They mark a value judgment. A positive statement can be false and still be positive. "Raising the price of coffee increases the amount people buy" is wrong, but it is a claim about the world that data can test.

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1.5 More Worked Examples

EXAMPLE 1.4

A farm can grow these combinations of wheat and corn, in tons: A (40 wheat, 0 corn), B (28, 16), C (10, 28), D (0, 32). Find the opportunity cost of 1 ton of corn on each step. What shape is the frontier?

What is asked	For each step, wheat given up divided by corn gained.
A to B	Wheat falls by 12 and corn rises by 16. $12 \div 16 = 0.75$ ton of wheat.
B to C	Wheat falls by 18 and corn rises by 12. $18 \div 12 = 1.5$ tons of wheat.
C to D	Wheat falls by 10 and corn rises by 4. $10 \div 4 = 2.5$ tons of wheat.
Shape	The cost of corn rises at every step, so the frontier bows outward.
Check	Run one step backward. From B to A, 16 corn buys 12 wheat, so 1 ton of wheat costs $16 \div 12 = 1.33$ tons of corn, the reciprocal of 0.75.
Answer	**0.75, then 1.5, then 2.5 tons of wheat. The frontier bows outward.**

EXAMPLE 1.5

A store gives a free $40 jacket to the first 50 people in line. Lin waits 3 hours and gets one. She could have worked those hours for $14 an hour. What did the jacket cost her, and was it worth it?

What is asked	The value of the best alternative use of the 3 hours.
Given up	$3 \times \$14 = \$42$ of pay.
Compare	She gave up $42 to get something worth $40.
Check	No money left her pocket, and the cost is still not zero.
Answer	**The jacket cost her $42. She is $2 worse off than if she had worked.**

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1.6 In Class at UGA

How these topics are presented in ECON 2106 lectures at UGA. Sections differ, so check each point against your own notes.

In lecture	What to do with it
Writes opportunity cost as sacrifice ÷ gain	Put what is given up on top every time. Between two rows of a table, use the change in each good.
Calls the slope of a straight-line frontier the opportunity cost, and warns that not all opportunity costs are constant	Check whether every step of the table costs the same before treating the frontier as a line.
Uses production possibilities schedules with lettered alternatives	Find the two letters the question names and work that one step only.
Asks for the cost of something that is free	The cost is whatever else would have been done with the time.
Assigns articles and discusses them in class	The practice exam says to study the book, the lectures and the articles discussed in class. Keep a line on the main point of each reading.

Common Slips

The slip	The fix
Dividing what is gained by what is given up	The answer is in units of the good given up. If the units are wrong, the fraction is upside down.
Giving the comparative advantage to whoever makes more	Compare opportunity costs. Output decides absolute advantage only.
Calling a point inside the frontier impossible	Inside is possible and inefficient. Outside is impossible for now.
Counting only the money spent	Add the value of the time or the alternative given up.
Shifting the frontier when unemployment falls	That is a move from inside toward the frontier. Only new resources or technology shift it.

Choosing the Method

The question says	First move
“opportunity cost of one more”	Divide what is given up by what is gained.
a table of combinations	Find the change in each good between the two rows named.
a point inside, on or outside the curve	Inside is inefficient, on is efficient, outside is not attainable.
“absolute advantage”	Compare output directly. More output wins.
“comparative advantage” or “should specialize”	Compute each producer’s opportunity cost. Lower cost wins.
“terms of trade” or “price both accept”	Pick a price between the two opportunity costs.
“should” or “ought”	Normative. A claim that could be tested is positive.

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PRACTICE SET 1A 8 questions · 12 minutes

1. In economics, scarcity means that

(A) some goods are expensive.
(B) resources are not sufficient to produce everything people want.
(C) shortages exist in most markets.
(D) a country is poor.

2. Dana buys a $40 concert ticket and skips a 3-hour babysitting job that pays $15 an hour to go. What is the opportunity cost of the concert?

(A) $40 **(B)** $45
(C) $55 **(D)** $85

3. An economy is producing at a point inside its production possibility frontier. This means

(A) some resources are idle or used inefficiently.
(B) the point is not attainable.
(C) the economy must give up one good to get more of the other.
(D) technology has improved.

4. A workshop can build 30 chairs or 10 tables a week, with a straight-line frontier between them. What is the opportunity cost of 1 table?

(A) $\frac{1}{3}$ chair **(B)** 10 chairs
(C) 3 chairs **(D)** 20 chairs

5. Which statement is normative?

(A) Rent control reduces the number of apartments offered.
(B) Gasoline taxes raise the price drivers pay.
(C) The city should build more public housing.
(D) Unemployment rose last year.

6. A production possibility frontier bows outward because

(A) resources are not equally suited to producing both goods.
(B) technology improves over time.
(C) some resources are unemployed.
(D) the opportunity cost of each good is constant.

7. An economy can produce these combinations of boats and bikes: A (0 boats, 90 bikes), B (1, 80), C (2, 60), D (3, 30), E (4, 0). What is the opportunity cost of moving from C to D?

(A) 10 bikes **(B)** 20 bikes
(C) 60 bikes **(D)** 30 bikes

8. A workshop can build 30 chairs or 10 tables a week, with a straight-line frontier. It is now building 4 tables and 12 chairs. How many more chairs could it build without giving up any tables?

(A) 0 **(B)** 6
(C) 12 **(D)** 18

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PRACTICE SET 1B 8 questions · 12 minutes

1. A producer has a comparative advantage in a good when it

(A) can produce more of the good than anyone else.
(B) uses fewer workers than anyone else.
(C) has the lower opportunity cost of producing the good.
(D) sells the good at the lowest price.

2. In a day Lee can sew 10 shirts or 5 hats. Kim can sew 6 shirts or 2 hats. Lee has an absolute advantage in

(A) shirts only. **(B)** hats only.
(C) neither good. **(D)** both goods.

3. In a day Lee can sew 10 shirts or 5 hats. Kim can sew 6 shirts or 2 hats. What is Kim's opportunity cost of 1 hat?

(A) 3 shirts **(B)** 2 shirts
(C) $\frac{1}{3}$ shirt **(D)** 6 shirts

4. In a day Lee can sew 10 shirts or 5 hats. Kim can sew 6 shirts or 2 hats. Who should specialize in shirts?

(A) Lee, because Lee makes more shirts.
(B) Kim, because Kim's opportunity cost of a shirt is lower.
(C) Lee, because Lee's opportunity cost of a shirt is lower.
(D) Neither. They cannot gain from trade.

5. An economy produces corn and cars. A new seed raises corn yields and does nothing for car factories. The production possibility frontier

(A) shifts outward by the same amount on both axes.
(B) does not move, and the economy moves along it.
(C) swings outward along the corn axis only.
(D) shifts inward.

6. Which is a decision made at the margin?

(A) Whether to go to college or take a job.
(B) Whether to study one more hour tonight.
(C) Whether to buy a house or keep renting.
(D) Whether to major in finance or biology.

7. In a day Lee can sew 10 shirts or 5 hats. Kim can sew 6 shirts or 2 hats. Which price for 1 hat would make both better off from trading?

(A) 1 shirt **(B)** 2 shirts
(C) 2.5 shirts **(D)** 3.5 shirts

8. In a day Lee can sew 10 shirts or 5 hats. Kim can sew 6 shirts or 2 hats. If each makes only the good in which they have a comparative advantage, combined daily output is

(A) 10 shirts and 2 hats.
(B) 16 shirts and 0 hats.
(C) 8 shirts and 3.5 hats.
(D) 6 shirts and 5 hats.

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PRACTICE SET 1C

8 questions · 12 minutes

1. The opportunity cost of a choice is

(A) the value of the best alternative given up.
(B) the money spent on it.
(C) the total value of every alternative given up.
(D) the cost of producing it.

2. Which of these is physical capital?

(A) A college degree
(B) A coal deposit
(C) A delivery truck owned by a bakery
(D) An hour of a cashier's work

3. A farm can produce these combinations of wheat and corn. The opportunity cost of raising wheat output from 20 to 30 tons is

Wheat (tons)	Corn (tons)
0	120
10	110
20	90
30	60
40	0

(A) 10 tons of corn. **(B)** 20 tons of corn.
(C) 60 tons of corn. **(D)** 30 tons of corn.

4. A point outside the production possibility frontier is

(A) unattainable with the current resources and technology.
(B) attainable but inefficient.
(C) efficient.
(D) the result of unemployment.

5. In a week Ana can write 2 essays or finish 12 problem sets, with a straight-line trade-off. Her opportunity cost of 1 essay is

(A) 2 problem sets. **(B)** 12 problem sets.
(C) 6 problem sets. **(D)** 10 problem sets.

6. Which statement is positive?

(A) The minimum wage should be raised.
(B) A higher minimum wage reduces teen employment.
(C) Teen unemployment is too high.
(D) Employers ought to pay a living wage.

7. The table shows what one worker can make in an hour. Mexico's opportunity cost of 1 ton of grain is

	Computers	Grain (tons)
United States	4	8
Mexico	1	4

(A) 4 computers. **(B)** 2 computers.
(C) $\frac{1}{2}$ computer. **(D)** $\frac{1}{4}$ computer.

8. The table shows what one worker can make in an hour. Which price for 1 computer would leave both countries better off from trade?

	Computers	Grain (tons)
United States	4	8
Mexico	1	4

(A) 1 ton of grain **(B)** 3 tons of grain
(C) 5 tons of grain **(D)** 8 tons of grain

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REVIEW SET 1 15 questions · 22 minutes

1. Economics is the study of

(A) how to make money in financial markets.
(B) how governments set prices.
(C) how people make choices when resources are scarce.
(D) how firms keep their accounts.

2. A trade-off exists whenever

(A) getting more of one thing means giving up some of another.
(B) two people exchange goods.
(C) a good has a price.
(D) an economy is inefficient.

3. Sam leaves a job that pays $3,000 a month to enter a program with tuition of $1,000 a month. The monthly opportunity cost of the program is

(A) $1,000 **(B)** $3,000
(C) $2,000 **(D)** $4,000

4. A friend gives Maya a free ticket to a game. Going means missing a 4-hour shift that pays $12 an hour. Her opportunity cost of going is

(A) $0 **(B)** $48
(C) $12 **(D)** $60

5. Which would shift a country's production possibility frontier outward?

(A) A fall in unemployment
(B) Moving workers from farms to factories
(C) A larger and better trained labor force
(D) A rise in prices

6. Unemployment falls from 9 percent to 5 percent. On a production possibility frontier this is

(A) a move from a point inside the frontier toward the frontier.
(B) an outward shift of the frontier.
(C) a move along the frontier.
(D) an inward shift of the frontier.

7. A bakery can make 60 loaves or 20 cakes a day, with a straight-line frontier. The opportunity cost of 1 loaf is

(A) 3 cakes. **(B)** $\frac{1}{3}$ cake.
(C) $\frac{1}{2}$ cake. **(D)** 2 cakes.

8. A straight-line production possibility frontier means that

(A) resources are being wasted.
(B) the economy cannot grow.
(C) opportunity cost rises as more of a good is made.
(D) opportunity cost is the same at every point.

9. An economy is efficient in production when

(A) it makes equal amounts of every good.
(B) every worker has a job they like.
(C) it cannot make more of one good without making less of another.
(D) prices are stable.

10. Ten minutes before a show a theater has empty seats. A ticket normally costs $30, and one more viewer adds $2 to the theater's costs. Selling a last-minute ticket for $10

(A) raises profit, because $10 is more than the marginal cost.
(B) lowers profit, because $10 is less than $30.
(C) lowers profit, because the average cost of a seat is more than $10.
(D) does not change profit.

11. In an hour Ravi can wash 6 cars or mow 2 lawns. Tess can wash 4 cars or mow 4 lawns. Ravi's opportunity cost of mowing 1 lawn is

(A) 2 cars. **(B)** $\frac{1}{3}$ car.
(C) 3 cars. **(D)** 6 cars.

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12. In an hour Ravi can wash 6 cars or mow 2 lawns. Tess can wash 4 cars or mow 4 lawns. Who has the comparative advantage in washing cars?

(A) Tess, because she mows more lawns.
(B) Ravi, because he gives up fewer lawns for each car.
(C) Tess, because she gives up fewer lawns for each car.
(D) Neither, because Ravi washes more cars and Tess mows more lawns.

13. A producer with an absolute advantage in both goods

(A) cannot gain from trade.
(B) should make both goods.
(C) has a comparative advantage in both goods.
(D) can still gain from trade, because opportunity costs differ.

14. In an hour Ravi can wash 6 cars or mow 2 lawns. Tess can wash 4 cars or mow 4 lawns. Each works 8 hours. If Ravi only washes cars and Tess only mows lawns, they produce

(A) 48 cars and 32 lawns.
(B) 32 cars and 16 lawns.
(C) 80 cars and 48 lawns.
(D) 48 cars and 16 lawns.

15. In an hour Ravi can wash 6 cars or mow 2 lawns. Tess can wash 4 cars or mow 4 lawns. They agree to trade 1 lawn for 2 cars. Compared with mowing a lawn himself, Ravi

(A) loses 1 car on each lawn.
(B) saves 1 car on each lawn.
(C) saves 2 cars on each lawn.
(D) neither gains nor loses.

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