1. (32 points) Define the following terms:
   a. specific training
   b. customer discrimination coefficient
   c. human capital
   d. marginal revenue product of labor
   e. feedback effects
   f. depreciation effect
   g. compensating wage differentials
   h. leisure

2. (9 points) Circle the groups listed below which are protected under the Civil Rights Act of 1964: African-Americans, Catholics, Women, Veterans, Homosexuals, Older workers, Hispanics, Disabled Persons, Asian-Americans.

3. (20 points)
   a. Using earnings-experience profiles, describe Cathy's college investment decision.
   b. Cathy is considering studying physics. If there is societal discrimination against women physicists, how would Cathy's earnings-experience profiles and decision to go to college be affected?

4. (12 points) List and explain 3 reasons why personal experience and diary evidence are not reliable sources of information.

5. (35 points)
   a. Graph a regression line and write down a regression equation.
   b. What variables might belong on the right hand side of a wage regression?
   c. List the assumptions of the labor market in perfect competition.
   d. How do the assumptions in part (c) relate to the variables you picked in part (b)?

6. (14 points) Summarize the results of the article by Sara Solnick entitled “Gender Differences in the Ultimatum Game” (April, 2001 issue of Economic Inquiry) that we discussed in class.

7. (9 points) Give 3 examples of statistical discrimination in American society.

8. (9 points) Evaluate the following quotation. “Women earn 78 percent of what men earn in America today. Therefore, there is wage discrimination against women.” Do you agree or disagree? Briefly justify your answer.