

Scenario

Mr. Jones left his house for work one sunny morning. He stopped for gas at a station that offered a free cup of coffee when you buy ten or more gallons of gas. He put in ten gallons of gas and picked up his free coffee. Next, he stopped at his favorite bakery. He started to order a cinnamon roll. Then, he remembered he had a "buy one doughnut - get one free" coupon in his pocket. He took his two doughnuts and headed for his car. He noticed two library books in the back seat which he had checked out the week before. Wanting to avoid the late fee he drove to the library and turned them in. From the library he headed to the hardware store which was offering a 20% discount on paint. He bought two gallons of paint and headed home. He suddenly realized he was driving over the speed limit. He quickly slowed down so he wouldn't get the \$50 dollar speeding ticket!

Identifying Incentives

What is the economic incentive?	It is positive or negative?	How did it influence Mr. Jones' behavior?
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