

Brief Contents

Preface xviii

About the Author xxv

Section 1 Introduction 1

Chapter 1 Economics and Institutions: A Shift of Emphasis 3

Section 2 Preferences, Utilities, Demands, and Uncertainty 19

Chapter 2 Consumers and Their Preferences 22

Chapter 3 Utilities—Indifference Curves 41

Chapter 4 Demand and Behavior in Markets 64

Chapter 5 Some Applications of Consumer Demand, and Welfare Analysis 93

Chapter 6 Uncertainty and the Emergence of Insurance 125

Chapter 7 Uncertainty—Applications and Criticisms 147

Section 3 Production and Cost 163

Chapter 8 The Discovery of Production and Its Technology 165

Chapter 9 Cost and Choice 187

Chapter 10 Cost Curves 211

Section 4 Decision Theory – Static and Dynamic Decisions 223

Chapter 11 Game Theory and the Tools of Strategic Business Analysis 225

Chapter 12 Decision Making Over Time 271

Chapter 13 The Internal Organization of the Firm 290

Section 5 Markets and Market Structures 321

Chapter 14 Perfectly Competitive Markets: Short-Run Analysis 323

Chapter 15 Competitive Markets in the Long Run 342

Chapter 16 Market Institutions and Auctions 358

Chapter 17 The Age of Entrepreneurship: Monopoly 378

Chapter 18 Natural Monopoly and the Economics of Regulation 414

Chapter 19 The World of Oligopoly: Preliminaries to Successful Entry 451

Chapter 20 Market Entry and the Emergence of Perfect Competition 493

Section 6 Welfare, Exchange, and General Equilibrium 521

Chapter 21 The Problem of Exchange 523

Chapter 22 General Equilibrium and the Origins of the Free-Market and Interventionist Ideologies 553

Section 7 Breakdowns and Market Failure 579

Chapter 23 Moral Hazard and Adverse Selection: Informational Market Failures 581

Chapter 24 Externalities: The Free Market–Interventionist Battle Continues 607

Section 8 Input Markets and the Origins of Class Struggle 631

Chapter 25 Public Goods, the Consequences of Strategic Voting Behavior,
and the Role of Government 633

Chapter 26 Input Markets and the Origins of Class Conflict 674

Answers to Selected Exercises and Problems 703**Glossary 724****Index 736**