



brief contents

Part I Introduction 1

- 1 Ten Principles of Economics 3
- 2 Thinking Like an Economist 21
- 3 Interdependence and the Gains from Trade 49

Part II How Markets Work 63

- 4 The Market Forces of Supply and Demand 65
- 5 Elasticity and Its Application 89
- 6 Supply, Demand, and Government Policies 111

Part III Markets and Welfare 133

- 7 Consumers, Producers, and the Efficiency of Markets 135
- 8 Application: The Costs of Taxation 155
- 9 Application: International Trade 171

Part IV The Economics of the Public Sector 193

- 10 Externalities 195
- 11 Public Goods and Common Resources 217
- 12 The Design of the Tax System 233

Part V Firm Behavior and the Organization of Industry 257

- 13 The Costs of Production 259
- 14 Firms in Competitive Markets 279
- 15 Monopoly 299
- 16 Monopolistic Competition 329
- 17 Oligopoly 349

Part VI The Economics of Labor Market 373

- 18 The Markets for the Factors of Production 375
- 19 Earnings and Discrimination 397
- 20 Income Inequality and Poverty 415

Part VII Topics for Further Study 437

- 21 The Theory of Consumer Choice 439
- 22 Frontiers of Microeconomics 467

Part VIII The Data of Macroeconomics 489

- 23 Measuring a Nation's Income 491
- 24 Measuring the Cost of Living 513

Part IX The Real Economy in the Long Run 529

- 25 Production and Growth 531
- 26 Saving, Investment, and the Financial System 555
- 27 The Basic Tools of Finance 577
- 28 Unemployment 593

Part X Money and Prices in the Long Run 617

- 29 The Monetary System 619
- 30 Money Growth and Inflation 643

Part XI The Macroeconomics of Open Economies 669

- 31 Open-Economy Macroeconomics: Basic Concepts 671
- 32 A Macroeconomic Theory of the Open Economy 695

Part XII Short-Run Economic Fluctuations 717

- 33 Aggregate Demand and Aggregate Supply 719
- 34 The Influence of Monetary and Fiscal Policy on Aggregate Demand 757
- 35 The Short-Run Trade-off between Inflation and Unemployment 785

Part XIII Final Thoughts 809

- 36 Six Debates over Macroeconomic Policy 811