

# Brief Contents

## **PART I INTRODUCTION 1**

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

## **PART II HOW MARKETS WORK 63**

- CHAPTER 4** The Market Forces of Supply and Demand 65
- CHAPTER 5** Elasticity and Its Application 89
- CHAPTER 6** Supply, Demand, and Government Policies 113

## **PART III MARKETS AND WELFARE 135**

- CHAPTER 7** Consumers, Producers, and the Efficiency of Markets 137
- CHAPTER 8** Application: The Costs of Taxation 159
- CHAPTER 9** Application: International Trade 177

## **PART IV THE ECONOMICS OF THE PUBLIC SECTOR 201**

- CHAPTER 10** Externalities 203
- CHAPTER 11** Public Goods and Common Resources 225
- CHAPTER 12** The Design of the Tax System 241

## **PART V FIRM BEHAVIOR AND THE ORGANIZATION OF INDUSTRY 265**

- CHAPTER 13** The Costs of Production 267
- CHAPTER 14** Firms in Competitive Markets 289
- CHAPTER 15** Monopoly 311
- CHAPTER 16** Monopolistic Competition 345
- CHAPTER 17** Oligopoly 365

## **PART VI THE ECONOMICS OF LABOR MARKETS 389**

- CHAPTER 18** The Markets for the Factors of Production 391
- CHAPTER 19** Earnings and Discrimination 413
- CHAPTER 20** Income Inequality and Poverty 433

## **PART VII TOPICS FOR FURTHER STUDY 455**

- CHAPTER 21** The Theory of Consumer Choice 457
- CHAPTER 22** Frontiers of Microeconomics 483

## **PART VIII THE DATA OF MACROECONOMICS 505**

- CHAPTER 23** Measuring a Nation's Income 507
- CHAPTER 24** Measuring the Cost of Living 529

## **PART IX THE REAL ECONOMY IN THE LONG RUN 547**

- CHAPTER 25** Production and Growth 549
- CHAPTER 26** Saving, Investment, and the Financial System 575
- CHAPTER 27** The Basic Tools of Finance 597
- CHAPTER 28** Unemployment 613

## **PART X MONEY AND PRICES IN THE LONG RUN 639**

- CHAPTER 29** The Monetary System 641
- CHAPTER 30** Money Growth and Inflation 663

## **PART XI THE MACROECONOMICS OF OPEN ECONOMIES 689**

- CHAPTER 31** Open-Economy Macroeconomics: Basic Concepts 691
- CHAPTER 32** A Macroeconomic Theory of the Open Economy 715

## **PART XII SHORT-RUN ECONOMIC FLUCTUATIONS 737**

- CHAPTER 33** Aggregate Demand and Aggregate Supply 739
- CHAPTER 34** The Influence of Monetary and Fiscal Policy on Aggregate Demand 777
- CHAPTER 35** The Short-Run Trade-off between Inflation and Unemployment 801

## **PART XIII FINAL THOUGHTS 827**

- CHAPTER 36** Five Debates over Macroeconomic Policy 829