



Brief Contents

PART I Introduction 1

- 1 Ten Principles of Economics 3
- 2 Thinking Like an Economist 19
- 3 Interdependence and the Gains from Trade 47

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 131

- 7 Consumers, Producers, and the Efficiency of Markets 133
- 8 Application: The Costs of Taxation 153
- 9 Application: International Trade 167

PART IV The Economics of the Public Sector 187

- 10 Externalities 189
- 11 Public Goods and Common Resources 211
- 12 The Design of the Tax System 227

PART V Firm Behavior and the Organization of Industry 245

- 13 The Costs of Production 247
- 14 Firms in Competitive Markets 267
- 15 Monopoly 289
- 16 Monopolistic Competition 319
- 17 Oligopoly 337

PART VI The Economics of Labor Markets 359

- 18 The Markets for the Factors of Production 361
- 19 Earnings and Discrimination 383
- 20 Income Inequality and Poverty 401

PART VII Topics for Further Study 423

- 21 The Theory of Consumer Choice 425
- 22 Frontiers of Microeconomics 451

PART VIII The Data of Macroeconomics 471

- 23 Measuring a Nation's Income 473
- 24 Measuring the Cost of Living 495

PART IX The Real Economy in the Long Run 513

- 25 Production and Growth 515
- 26 Saving, Investment, and the Financial System 541
- 27 The Basic Tools of Finance 563
- 28 Unemployment 577

PART X Money and Prices in the Long Run 601

- 29 The Monetary System 603
- 30 Money Growth and Inflation 627

PART XI The Macroeconomics of Open Economies 651

- 31 Open-Economy Macroeconomics: Basic Concepts 653
- 32 A Macroeconomic Theory of the Open Economy 677

PART XII Short-Run Economic Fluctuations 699

- 33 Aggregate Demand and Aggregate Supply 701
- 34 The Influence of Monetary and Fiscal Policy on Aggregate Demand 737
- 35 The Short-Run Trade-off between Inflation and Unemployment 763

PART XIII Final Thoughts 787

- 36 Six Debates over Macroeconomic Policy 789